

Registered number: 06963761

BLADES LEISURE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021



BLADES LEISURE LIMITED

COMPANY INFORMATION

Directors	Joseph Edward Jr Giansiracusa HRH Princess Reem Bint Abdullah Al Saud Abdullah Yousef Mohammed Alghamdi
Company secretary	Deborah Andrew
Registered number	06963761
Registered office	Sheffield United FC Bramall Lane Cherry Street SHEFFIELD Yorkshire S2 4SU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street SHEFFIELD South Yorkshire S1 2GT
Bankers	Santander UK Plc 58 / 60 Briggate LEEDS LS1 6AS

BLADES LEISURE LIMITED

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BLADES LEISURE LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2021

The Directors present their report on the activities of Blades Leisure Limited for the year ending June 2021 along with the financial statements and the Auditors report.

In consideration of the Covid-19 epidemic, the Directors took the decision to extend the prior financial reporting period to 31 July 2020, reporting on a period of 13 months. As the fixtures for 2020-21 season were completed as expected, the Directors opted to realign the financial year end with historical results reporting an 11-month period ended June 2021.

Principal activities

The principal activity of Blades Leisure Limited is the operation of a professional football club.

Business review

In the period under review Sheffield United competed in the English Premier League.

The period saw an additional seven permanent additions to the first team, with the transfer of Aaron Ramsdale from AFC Bournemouth, Kacper Lopata from Brighton and Hove Albion, Max Lowe and Jayden Bogle from Derby County, Oliver Burke from West Bromwich Albion, Ismailia Coulibaly from Sarpsborg 08 and Rhian Brewster from Liverpool. The squad was also bolstered by the loan of Ethan Ampadu on a season long loan from Chelsea. This followed the release of several players in the summer of 2020 as well as the transfer out of Callum Robinson and the retirement of Ricky Holmes.

Despite significant recruitment, the Club suffered a difficult start to season which saw a stretch of 17 matches without a win. Due to restrictions brought in to place to control the Covid-19 epidemic, almost the entire season had to be played behind closed doors. The loss of our supporters had not only a huge effect on the Club's finances, but also on our sporting performance. It seemed a change of form could be on the cards following a home win against Newcastle in January, but it was not to be, the Club went on to be relegated, in 20th position, on the 17th April with a total of 23 points. Ending our two-year spell in the Premier League.

Despite the absence of match day revenues, the Club retained profits of £9.7m (2020: £17.4m) in the period.

Revenue of £115m (2020: £143m) declined by £28m, primarily due to the Club's finishing position and its impact on merit payments received, as well as lost match day revenues for the season. These losses were offset to some extent by business interruption proceeds of £2.5m that were received in the period.

Employment costs in the period totalled £57m (2020: £78m) reflecting the shortened financial period along with savings on performance related bonuses in the period.

Investments of £46m (2020: £66m) were made in intangible assets in the period and £1.1m (2020: £49m) in tangible fixed assets, enhancing training and office facilities.

Profit on disposal of player registrations in the period totalled £1m in the period (2020: £4m).

The season also saw the departure of Chris Wilder as Manager in March 2021 after almost five years with the Club. The temporary appointment of Paul Heckingbottom as interim manager was made shortly after, a secondment from his role as under-23s lead coach and subsequently, the permanent appointment of Slavisa Jokanovic in May.

BLADES LEISURE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

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 and Inclusion

Sheffield United Football Club is committed to helping eradicate all forms of discrimination within Football and ensuring our Club is representative of our local community and is a welcoming place of entertainment for all. We actively work with different partners such as Kick it out and are working in accordance with the FA Football Leadership Diversity Code focusing on increasing both female and BAME representatives in key roles within our Club. Along with dedicated Equality Diversity and Inclusion Manager we now have internal and external working groups who focus on how we can make positive changes in all areas of underrepresented groups. We have also reviewed our different methods of reporting discrimination and have ensured we have several different avenues where people can raise concerns and or make us aware of any inappropriate behaviours. The Club has adopted a zero tolerance policy to all forms of discrimination and have taken the appropriate measures where issues have been brought to our attention.

Employee Engagement

Our staff have continued to manage the challenges of covid-19 with resilience and professionalism. We have looked at the effects to staff and supporters over this past 18 months and have introduced several mechanisms to support our people. The Club now has 14 mental health first aiders who work across all areas of the Club who are available to chat to our staff whenever they are needed. This year we have also focused on professional development across the Club and we are excited to launch our new Leadership development programme early in the new year.

Future Developments

The Club's long term goal is to be a self sustaining, globally recognised Club competing in the top tier of English football. This will be achieved by embracing a business model that focuses on investment in our playing squad, development of our elite academy players, by cultivating our global brand, by driving and diversifying revenue streams and by identifying and nurturing talent across all areas of the business.

As part of the business strategy, the board has identified a need to restructure on-field operations to ensure that our young players can develop in to the first team assets of the future. To achieve this, the decision has been taken to end the Club's relationship with Slavisa Jokanovic, appointing Paul Heckingbottom as First Team Manager in November 2021. Paul has worked with both the first team and the under 23's and has proven his ability to develop young talent. The Board has confidence that he is the right person for the Club and that he will work with them to achieve the Club's aspirations.

BLADES LEISURE LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021

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. Improvements in the period include installation of new and improved boilers at the training facility, a new ventilation system in our business centre which includes temperature sensors to regulate usage, infra-red lighting system in the Club offices which turns lights off when the offices are not in use, replacement of diesel ground equipment with electric alternatives, continued replacement of LED lights in the concourses and continued partnership with DJB Recycling collecting food waste which is converted to electricity.

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.

UK Carbon Footprint Data 2020-21

The data in the following table 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.

Scope	Description	Specific fuels		tCO ₂ e
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas	On site	487
		Transport: Petrol, Diesel, Unknown	Transport	27
		Vehicle fuel	Total	513
Scope 2	Purchased energy	Electricity	Location based Market based	722 0
Scope 3	Indirect Emissions	Employee Business Mileage		34
Total		Location based		1,269
		Market based		547
Intensity Ratio	tCO ₂ e/£1m Turnover	Location based		9.06
		Market based		3.91
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Petrol, Diesel, Unknown		6,296,010
	Renewable %	Vehicle fuel Electricity		100%

Sheffield United's location-based emissions decreased from 1,363tCO₂e in 2019/20 to 1,269tCO₂e in 2020/21. This is an emissions reduction of 7%.

Scope 1 emissions increased from 429tCO₂e in 2019/20 to 513tCO₂e in 2020/21, emissions increase of 20%.

Natural gas consumption increased from 2,213,906kWh to 2,647,287kWh, a 20% increase in consumption.

This resulted in emissions increase of 80tCO₂e associated with natural gas consumption.

The emissions associated with scope 1 transport (petrol and diesel) increased from 20tCO₂e in 2019/20 to 27tCO₂e in 2020/21, an emissions increase of 34%.

BLADES LEISURE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

Scope 2 electricity consumption decreased from 3,808,062kWh in 2019/20 to 3,398,321kWh in 2020/21, a consumption reduction of 11%. Scope 2 location-based emissions decreased by 166tCO₂e, an emissions decrease of 19%.

Sheffield United have reported scope 2 market-based emissions in this year's SECR report. When using the market-based method, the emissions factor of the suppliers' fuel mix

Scope 3 employee mileage decreased from 168,028 miles in 2019/20 to 117,936 miles in 2020/21. Emissions associated with employee mileage fell from 46tCO₂e to 34tCO₂e, a 27% decrease in emissions.

The emissions intensity ratio associated with Sheffield United's turnover reduced from 11.4tCO₂e/£M to 9.1tCO₂e when using the location-based emissions. When using the market-based emissions figure, the emissions intensity ratio reduced from 4.0tCO₂e/£M to 3.9tCO₂e.

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 period and will continue to be reviewed in line with the Group's strategic plan, as set out in the Strategic report.

The Directors have reviewed the forecasts for the period ending December 2022, 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

Our nominated charities for the season were The Sheffield Children's Hospital, Weston Park Cancer Charity, Bluebell Wood Children's Hospice, St Luke's Hospice and Support Dogs. The nominated charity for the Academy is Paces Sheffield, a specialist centre for children with Cerebral Palsy.

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 period.

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

BLADES LEISURE LIMITED


**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021**

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.

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



Abdullah Yousef Mohammed Alghamdi
Director

Date: 23/12/2021

BLADES LEISURE LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2021**

The Directors present their report and the financial statements for the period ended 30 June 2021.

Results and dividends

The profit for the period, after taxation, amounted to £9,728,704 (2020: £17,496,821).

Directors

The Directors who served during the period were:

Joseph Edward Jr Giansiracusa
HH Prince Musaad Bin Khalid Bin Musaad Bin Abdulrahman Al Saud (resigned 14 April 2021)
HRH Princess Reem Bint Abdullah Al Saud
Abdullah Yousef Mohammed Alghamdi (appointed 19 April 2021)

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

Subsequent to the period end, the first team management team has changed from Slavisa Jokanovic and his team to Paul Heckingbottom and his team.

Aaron Ramsdale, first team goalkeeper, has been sold to Arsenal Football Club on 20th August 2021.

BLADES LEISURE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021**

Disabled employees

Disabled Employees are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain them in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, with the exception that such opportunities are constrained by the practical limitations of their disability.

Employee involvement

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

Future developments

Future developments are discussed in the Strategic Report

Financial risk management

Financial risk management is discussed in the Strategic Report.

Disclosure of information to auditor

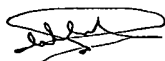
The directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors has taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group'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: 23/12/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED

Opinion

We have audited the financial statements of Blades Leisure Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 30 June 2021 and of the Group's profit for the period 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 Group and the parent 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 Group's and of the parent 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 Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED (CONTINUED)

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

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

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

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

We have nothing to report 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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 Group 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 Group 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 Group 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 Group'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 Group's operations, the applicable statutory provisions, and the Group'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 BLADES LEISURE LIMITED (CONTINUED)

- The engagement team's experience with similar engagements, their understanding of the Group'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 Group were considered in assessing the competence and capabilities of the engagement team.

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.

Michael Keurem

Michael Keurem FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 23/12/2021

BLADES LEISURE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021**

	Note	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Turnover	4	115,518,778	143,803,218
Cost of sales		(63,358,351)	(89,423,413)
Gross profit		52,160,427	54,379,805
Administrative expenses (excluding amortisation and impairment of player registrations)		(17,357,059)	(18,921,735)
Amortisation and impairment of player registrations	12	(25,777,695)	(19,967,865)
Other operating income	5	2,801,113	76,398
Operating profit	6	11,826,786	15,566,603
Profit on disposal of player registrations		1,133,571	4,110,192
Total operating profit		12,960,357	19,676,795
Interest payable and similar expenses	10	(2,475,928)	(873,805)
Profit before taxation		10,484,429	18,802,990
Tax on profit	11	(755,725)	(1,306,169)
Profit for the financial period		<u>9,728,704</u>	<u>17,496,821</u>

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 21 to 45 form part of these financial statements.

BLADES LEISURE LIMITED
REGISTERED NUMBER:06963761

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

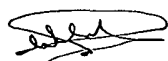
	Note	30 June 2021 £	31 July 2020 £
Fixed assets			
Intangible assets	12	69,277,490	51,654,564
Tangible assets	13	48,591,574	50,262,610
		<u>117,869,064</u>	<u>101,917,174</u>
Current assets			
Stocks	15	1,423,283	1,065,933
Debtors: amounts falling due within one year	16	4,359,266	9,425,507
Current asset investments	17	5,958,548	8,417,961
Cash at bank and in hand	18	2,918,304	7,572,215
		<u>14,659,401</u>	<u>26,481,616</u>
Creditors: amounts falling due within one year	19	(102,896,792)	(60,314,852)
Net current liabilities		<u>(88,237,391)</u>	<u>(33,833,236)</u>
Total assets less current liabilities		<u>29,631,673</u>	<u>68,083,938</u>
Creditors: amounts falling due after more than one year	20	(19,379,098)	(34,993,646)
Provisions for liabilities			
Deferred income	23	(7,751,822)	(40,318,243)
Net assets/(liabilities)		<u><u>2,500,753</u></u>	<u><u>(7,227,951)</u></u>
Capital and reserves			
Called up share capital	25	33,200,000	33,200,000
Share premium account	26	27,495,642	27,495,642
Profit and loss account	26	(58,194,889)	(67,923,593)
Equity attributable to owners of the parent Company		<u><u>2,500,753</u></u>	<u><u>(7,227,951)</u></u>

BLADES LEISURE LIMITED
REGISTERED NUMBER:06963761

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2021

The parent company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company was £1,991,632 (2020: *profit* £1,935,169).

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



Abdullah Yousef Mohammed Alghamdi
Director

Date: 23/12/2021

The notes on pages 21 to 45 form part of these financial statements.

BLADES LEISURE LIMITED
REGISTERED NUMBER:06963761

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30 June 2021 £	31 July 2020 £
Current assets			
Debtors: amounts falling due within one year	16	18,022,852	18,266,282
Current asset investments	17	5,958,548	8,417,961
Cash at bank and in hand	18	15	99,595
		<u>23,981,415</u>	<u>26,783,838</u>
Creditors: amounts falling due within one year	19	(23,963,406)	(1,300,808)
Net current assets		<u>18,009</u>	<u>25,483,030</u>
Total assets less current liabilities		<u>18,009</u>	<u>25,483,030</u>
Creditors: amounts falling due after more than one year	20	-	(23,473,389)
Net assets		<u><u>18,009</u></u>	<u><u>2,009,641</u></u>
Capital and reserves			
Called up share capital	25	33,200,000	33,200,000
Share premium account	26	27,495,642	27,495,642
Profit and loss account carried forward		(60,677,633)	(58,686,001)
		<u><u>18,009</u></u>	<u><u>2,009,641</u></u>

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



Mohammed Alghamdi
 Director

Date: 23/12/2021

The notes on pages 21 to 45 form part of these financial statements.

BLADES LEISURE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2020	33,200,000	27,495,642	(67,923,593)	(7,227,951)
Comprehensive income for the period				
Profit for the period	-	-	9,728,704	9,728,704
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	9,728,704	9,728,704
Total transactions with owners	-	-	-	-
At 30 June 2021	33,200,000	27,495,642	(58,194,889)	2,500,753

The notes on pages 21 to 45 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2019	33,200,000	27,495,642	(85,420,414)	(24,724,772)
Comprehensive income for the year				
Profit for the period	-	-	17,496,821	17,496,821
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	17,496,821	17,496,821
Total transactions with owners	-	-	-	-
At 31 July 2020	33,200,000	27,495,642	(67,923,593)	(7,227,951)

The notes on pages 21 to 45 form part of these financial statements.

BLADES LEISURE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 August 2020	33,200,000	27,495,642	(58,686,001)	2,009,641
Comprehensive income for the period				
Loss for the period	-	-	(1,991,632)	(1,991,632)
Total comprehensive income for the period	-	-	(1,991,632)	(1,991,632)
Total transactions with owners	-	-	-	-
At 30 June 2021	33,200,000	27,495,642	(60,677,633)	18,009

The notes on pages 21 to 45 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2019	33,200,000	27,495,642	(60,621,170)	74,472
Comprehensive income for the period				
Profit for the period	-	-	1,935,169	1,935,169
Total comprehensive income for the period	-	-	1,935,169	1,935,169
Total transactions with owners	-	-	-	-
At 31 July 2020	33,200,000	27,495,642	(58,686,001)	2,009,641

The notes on pages 21 to 45 form part of these financial statements.

BLADES LEISURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

	30 June 2021 £	31 July 2020 £
Cash flows from operating activities		
Profit for the financial period	9,728,704	17,496,821
Adjustments for:		
Amortisation of intangible assets	25,777,695	19,967,865
Depreciation of tangible assets	2,858,734	1,931,418
Profit on disposal of player registrations	(1,133,571)	(4,110,192)
Government grants	(62,649)	(76,398)
Interest payable	2,475,928	874,326
Tax charge	755,725	1,306,169
(Increase) in stocks	(357,350)	(319,667)
Decrease/(increase) in debtors	5,476,775	(4,067,466)
(Decrease)/increase in creditors	(22,942,433)	43,028,936
(Decrease)/increase in deferred income	(32,503,772)	29,305,087
Net cash generated from operating activities	(9,926,214)	105,336,899
Cash flows from investing activities		
Purchase of intangible fixed assets	(26,070,494)	(66,057,335)
Proceeds from sale of intangible assets	3,400,865	4,221,852
Purchase of tangible fixed assets	(876,074)	(48,888,074)
Sale/(purchase) of current asset investments	2,459,413	(8,417,961)
Net cash from investing activities	(21,086,290)	(119,141,518)

BLADES LEISURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021

	30 June 2021 £	<i>31 July 2020 £</i>
Cash flows from financing activities		
(Repayment of)/new bank loans	(5,926,581)	21,274,197
Advance of bank loans	35,000,000	-
(Repayment)/addition of finance leases	(238,898)	(113,466)
Interest payable	(2,475,928)	(874,326)
Net cash from financing activities	26,358,593	20,286,405
Net (decrease)/increase in cash and cash equivalents	(4,653,911)	6,481,786
Cash and cash equivalents at beginning of period	7,572,215	1,090,429
Cash and cash equivalents at the end of period	2,918,304	7,572,215
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	2,918,304	7,572,215
	2,918,304	7,572,215

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

1. General information

Blades Leisure Limited ("the Company") is a private Company limited by shares, incorporated in England. Registered number 06963761. The Company's registered office is Bramall Lane Ground, Cherry Street, Sheffield, S2 4SU.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company's functional and presentation currency is pound sterling (£).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.3 Going concern

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

As the Directors are confident in the Group's ability to successfully negotiate these challenging times, no adjustment has been made to the financial statements that would be required if the group ceased to be a going concern. The Premier League shareholders are meeting regularly to review the financial and operational situation.

The Directors have reviewed the forecasts for the period ending December 2022, and, have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future with, if required, support from its controlling parties. For this reason, they continue to adopt the going concern assumption.

2.4 Turnover

Turnover comprises revenue generated by the Group's principal activities excluding transfer fees, donations and value added tax. Revenue streams include Match day, Media, Academy and Facility.

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, 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 period end but relating to a future period (mainly in relation to seasonal facilities for the future seasons) 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, broadcasting revenue from cup fixtures, internet revenues and programme income. Premier League distributions comprise of a fixed element, which is recognised equally over home fixtures played, along with additional revenue that is variable based on final league position.

Sponsorship & Advertising

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

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Accounting policies (continued)**2.4 Turnover (continued)****Facility**

Facility revenues include rental and facility hire income, gym membership revenue from Gym Plus at Crookes. Facility revenue is recognised in the period in which the facility has been utilised. Where facility income is received or invoiced in a period it is treated as deferred income and released in the period to which the income relates.

2.5 Other operating income

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed 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.

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.

2.7 Tangible fixed assets

Tangible fixed 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 Group adds to the carrying amount of an item of fixed 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 Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

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.

2.8 Operating leases

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

2.9 Impairment of fixed 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.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Accounting policies (continued)**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.

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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Financial instruments

The Group only enters into basic financial instruments 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Group would receive for the asset if it were to be sold at the reporting date.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

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.

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

The contributions are recognised as an expense 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 Group in independently administered funds.

Multi-employer pension plan

The Group is a member of a multi-employer plan. Where it is not possible for the Group 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 period in which they are incurred.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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.

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 and the Group operate and generate 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 to both the transfer Club and 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 period in which the achievement of the specified criteria becomes probable.

Contingent assets are not recognised until the inflow of economic benefits are virtually certain. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is highly probable.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

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 registration

The valuation of intangible assets is given consideration by the Directors. Under certain circumstances; such as permanent player injury or incompatibility with senior management, either of which would indicate that the player would be unlikely to play for the club again, the Directors may commence an impairment review. The following factors would be taken into account:

- A career ending injury
- A player who has irrecoverable differences 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 period in order to reduce the carrying value of the player to the player's fair value less any costs to sell.

3.2 Impairment of debtors

The Group 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 Group is a member of a multi-employer plan. In the judgement of the Directors, the Group 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 28 for further details.

3.4 Stock provisioning

The Group 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.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

4. Turnover

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Match Day	57,609	7,335,918
Broadcasting	101,300,363	120,095,905
Sponsorship & Advertising	10,063,732	11,562,998
Facility	4,097,074	4,808,397
	115,518,778	143,803,218

Analysis of turnover by country of destination:

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
United Kingdom	111,618,778	140,553,218
Rest of the World	3,900,000	3,250,000
	115,518,778	143,803,218

5. Other operating income

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Other grants released	62,649	76,398
Coronavirus job retention scheme	238,464	-
Insurance claim	2,500,000	-
	2,801,113	76,398

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

6. Operating profit

The operating profit is stated after charging:

	Group 11 months ended 30 June 2021 £	<i>Group 13 months ended 31 July 2020 £</i>
Depreciation of tangible fixed assets	2,858,734	1,931,418
Amortisation of intangible assets	25,777,695	17,409,568
Impairment of trade debtors	(30,474)	142,790
Operating lease rentals	17,129	376,662
	<u> </u>	<u> </u>

7. Auditor's remuneration

	Group 11 months ended 30 June 2021 £	<i>Group 13 months ended 31 July 2020 £</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	51,500	50,000
	<u> </u>	<u> </u>
Fees payable to the Group's auditor and its associates in respect of:		
Interim review procedures	5,250	5,000
Tax compliance	19,500	19,500
All other services	19,125	39,750
	<u> </u>	<u> </u>
	<u>43,875</u>	<u>64,250</u>

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

8. Employees

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £	Company 11 months ended 30 June 2021 £	Company 13 months ended 31 July 2020 £
Wages and salaries	50,049,663	71,427,455	-	-
Social security costs	7,033,424	6,812,020	-	-
Cost of defined contribution scheme	334,484	271,225	-	-
	57,417,571	78,510,700	-	-

The total staff costs, including Directors' remuneration for the Company was £Nil (2020: £Nil).

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

	Group 11 months ended 30 June 2021 No.	Group 13 months ended 31 July 2020 No.
Playing and coaching staff	136	153
Non-football	172	139
	308	292

The average monthly number of employees, including the Directors, for the Company was Nil (2020: Nil).

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

9. Directors' remuneration

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Directors' emoluments	122,666	111,111
Company contributions to defined contribution pension schemes	985	767
	123,651	111,878

The highest paid director received remuneration of £122,666 (2020: £111,111).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £985 (2020: £767).

10. Interest payable and similar expenses

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Other loan interest payable	2,331,123	766,354
Finance leases and hire purchase contracts	34,769	60,471
Finance costs	110,036	46,980
	2,475,928	873,805

11. Taxation

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Corporation tax		
Current tax on profits for the year	768,897	1,306,169
Adjustments in respect of previous periods	(13,172)	-
	755,725	1,306,169

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

11. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Profit on ordinary activities before tax	10,484,429	18,802,990
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,992,042	3,572,568
Effects of:		
Fixed asset differences	442,500	28,753
Expenses not deductible for tax purposes	162,700	119,261
Group relief claimed	-	(26,276)
Non-taxable income	(6,978)	(14,516)
Unrelieved tax losses carried forward	-	34,147
Utilisation of brought forward losses	(1,824,019)	(2,407,768)
R&D expenditure credits	5,813	-
Adjustments to tax charge in respect of prior periods	(13,172)	-
Remeasurement of deferred tax for changes in tax rates	(3,161)	-
Total tax charge for the period	755,725	1,306,169

Factors that may affect future tax charges

Unrelieved tax losses of approximately £50,525,000 (2020: £59,245,000) 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 £13,251,000 (2020: £11,886,000). At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed.

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 and the legislation received Royal Assent on 10 June 2021.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

12. Intangible assets**Group**

	Player registrations £	Trademarks £	Total £
Cost			
At 1 August 2020	74,957,400	100,000	75,057,400
Additions	46,072,050	-	46,072,050
Disposals	(7,280,000)	-	(7,280,000)
At 30 June 2021	113,749,450	100,000	113,849,450
Amortisation			
At 1 August 2020	23,302,836	100,000	23,402,836
Charge for the period on owned assets	25,777,695	-	25,777,695
On disposals	(4,608,571)	-	(4,608,571)
At 30 June 2021	44,471,960	100,000	44,571,960
Net book value			
At 30 June 2021	69,277,490	-	69,277,490
At 31 July 2020	51,654,564	-	51,654,564

The intangible asset that is material to the financial statements is the first team squad. The carrying value of the squad is £69,277,490 (2020: £51,654,564) with a remaining amortisation period of 1-4 years.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

13. Tangible fixed assets**Group**

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 August 2020	44,006,750	11,099,013	50,668	55,156,431
Additions	389	1,187,309	-	1,187,698
At 30 June 2021	<u>44,007,139</u>	<u>12,286,322</u>	<u>50,668</u>	<u>56,344,129</u>
Depreciation				
At 1 August 2020	223,209	4,627,407	43,205	4,893,821
Charge for the period	788,875	2,066,290	3,569	2,858,734
At 30 June 2021	<u>1,012,084</u>	<u>6,693,697</u>	<u>46,774</u>	<u>7,752,555</u>
Net book value				
At 30 June 2021	<u>42,995,055</u>	<u>5,592,625</u>	<u>3,894</u>	<u>48,591,574</u>
At 31 July 2020	<u>43,783,541</u>	<u>6,471,606</u>	<u>7,463</u>	<u>50,262,610</u>

The net carrying amount of assets held under hire purchase agreements is £475,334 (2020: £416,245). These assets are all included within fixtures and fittings.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2020	19,817,313
At 30 June 2021	19,817,313
Impairment	
At 1 August 2020	19,817,313
At 30 June 2021	19,817,313
Net book value	
At 30 June 2021	-
At 31 July 2020	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of share	Holding
Sheffield United Football Club Limited	Professional football club	Ordinary	100%
Sheffield United Conference and Events Limited	Dissolved 30 March 2021	Ordinary	100%
Premier Security and Events Limited	Stewarding	Ordinary	100%
Premier Health and Safety Solutions Limited	Dissolved 30 March 2021	Ordinary	100%
Bobby Charlton International Limited	Dormant	Ordinary	100%
Esplanade 1 Limited	Dormant	Ordinary	100%
SUFC Women Limited	Professional football club	Ordinary	100%

All of the above entities are incorporated in the United Kingdom.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	Group 30 June 2021 £	Group 31 July 2020 £
Goods for resale	1,423,283	1,065,933

Stock is stated after provisions for impairment of £38,172 (2020: £11,971).

Stock recognised as an expense during the year was £1,447,746 (2020: £1,604,615).

16. Debtors

	Group 30 June 2021 £	Group 31 July 2020 £	Company 30 June 2021 £	Company 31 July 2020 £
Trade debtors	2,903,006	3,979,551	-	-
Amounts owed by group undertakings	-	-	17,965,391	18,208,821
Amounts owed by joint ventures and associated undertakings	57,461	73,654	57,461	57,461
Other debtors	648,128	4,646,002	-	-
Prepayments and accrued income	738,712	720,740	-	-
Tax recoverable	11,959	5,560	-	-
	4,359,266	9,425,507	18,022,852	18,266,282

Included within trade debtors are amounts totalling £2,492,500 (2020: £2,088,365) relating to the consideration receivable for the sale of player registrations.

Trade debtors are stated after provisions for impairment of £112,619 (2020: £99,482).

Amounts owed by group undertakings are repayable on demand.

17. Current asset investments

	Group 30 June 2021 £	Group 31 July 2020 £	Company 30 June 2021 £	Company 31 July 2020 £
Fixed-term deposit accounts	5,958,548	8,417,961	5,958,548	8,417,961

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Cash and cash equivalents

	Group 30 June 2021 £	<i>Group</i> <i>31 July</i> <i>2020</i> £	Company 30 June 2021 £	<i>Company</i> <i>31 July</i> <i>2020</i> £
Cash at bank and in hand	2,918,304	7,572,215	15	99,595

19. Creditors: Amounts falling due within one year

	Group 30 June 2021 £	<i>Group</i> <i>31 July</i> <i>2020</i> £	Company 30 June 2021 £	<i>Company</i> <i>31 July</i> <i>2020</i> £
Bank loans	53,782,250	1,235,442	23,782,250	1,235,442
Trade creditors	21,590,816	7,942,562	-	-
Football League Pension Liability	118,601	113,406	-	-
Corporation tax	2,073,853	1,311,729	-	-
Other taxation and social security	12,093,141	16,089,676	-	-
Obligations under finance lease and hire purchase contracts	209,210	60,267	-	-
Other creditors	9,133,148	615,456	-	-
Accruals and deferred income	3,895,773	32,946,314	181,156	65,366
	102,896,792	60,314,852	23,963,406	1,300,808

Included within the above amounts are £18,250,511 (2020: £6,183,088) relating to consideration payable for player registrations.

Amounts owed to group undertakings are 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.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Creditors: Amounts falling due after more than one year

	Group 30 June 2021 £	Group 31 July 2020 £	Company 30 June 2021 £	Company 31 July 2020 £
Bank loans	-	23,473,389	-	23,473,389
Net obligations under finance leases and hire purchase contracts	182,328	258,545	-	-
Trade creditors	18,565,164	10,631,031	-	-
Football League Pension Liability	622,476	621,551	-	-
Share capital treated as debt	9,130	9,130	-	-
	19,379,098	34,993,646	-	23,473,389

Disclosure of the terms and conditions attached to the non-equity shares is made in note 25.

Included within the above amounts are £18,565,164 (2020: £10,631,031) relating to consideration payable for player registrations.

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.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 30 June 2021 £	Group 31 July 2020 £
Within one year	241,967	157,541
Between 1-5 years	196,369	310,188
	438,336	467,729
Less interest	(46,798)	(53,782)
	391,538	413,947

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

22. Financial instruments

	Group 30 June 2021 £	Group 31 July 2020 £	Company 30 June 2021 £	Company 31 July 2020 £
Financial assets				
Trade debtors	2,903,006	3,979,551	-	-
Amounts owed by group undertakings	-	-	17,965,391	18,208,821
Other debtors	648,128	4,719,656	57,461	57,461
	3,551,134	8,699,207	18,022,852	18,266,282
	Group 30 June 2021 £	Group 31 July 2020 £	Company 30 June 2021 £	Company 31 July 2020 £
Financial liabilities				
Trade creditors	(40,155,980)	(18,573,593)	-	-
Bank loan	(53,782,250)	(24,708,831)	(23,782,250)	(24,708,831)
Other creditors	(9,133,148)	(615,456)	-	-
Accruals	(3,895,773)	(32,946,314)	(181,156)	(65,366)
Football League pension liability	(741,077)	(734,957)	-	-
Net obligations under finance leases and hire purchase contracts	(391,538)	(318,812)	-	-
Preference share capital treated as debt	(9,130)	(9,130)	-	-
	(108,108,896)	(77,907,093)	(23,963,406)	(24,774,197)

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Deferred income

	Group 30 June 2021 £	Group 31 July 2020 £
Sponsorship	1,096,522	6,840,593
Advance ticket sales	4,621,743	5,747
Broadcasting	-	31,375,697
Deferred capital grant	2,033,557	2,096,206
	7,751,822	40,318,243

24. Covid-19 additional costs

	Group 11 months ended 30 June 2021 £	Group 13 months ended 31 July 2020 £
Rebate of broadcast income	-	8,700,000
Lost revenue	8,933,037	2,543,640
Increased costs incurred	-	467,161
	8,933,037	11,710,801

In the current period it has been noted that additional costs of £8,933,037 (2020: £11,710,801) have been incurred by the entity as a result of the Covid-19 pandemic.

25. Share capital

	Group 30 June 2021 £	Group 31 July 2020 £
Shares classified as equity		
Allotted, called up and fully paid		
33,200,000 Ordinary shares of £1 each	33,200,000	33,200,000

BLADES LEISURE LIMITED

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25. Share capital (continued)

	Group 30 June 2021 £	<i>Group 31 July 2020 £</i>
Shares classified as debt		
913 Preference shares of £10 each	9,130	<i>9,130</i>

26. Reserves**Share premium account**

Represents the amounts received, in excess of the face value, on shares issued.

Profit and loss account

Includes all current and prior period retained profits and losses.

27. Contingent liabilities

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

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28. Pension commitments

Sheffield United Football Club Limited ('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 £27.6 million. The key assumptions used to calculate the deficit at the 31 August 2020 actuarial valuation are:

Discount Rate: BoE Gilt Yield Curve +2.0% p.a. (2.7% p.a.)

RPI Inflation: BoE Inflation Curve (3.15% p.a.)

Pension Increases (pension accrued pre 6 April 1997): Fixed 3% p.a.

Pension Increases (pension accrued post 6 April 1997): RPI (min 3%, max %) (3.55% p.a.)

Mortality (pre-retirement): None

Mortality (post-retirement): S3PA base tables CMI 2019 projection 1.5% p.a. long term improvement rate. Default smoothing Initial addition of 0.5% p.a.

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

The Club currently pays total contributions of £113,857 per annum which increases at 5.0% per annum 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 2021, based on an appropriate discount rate of 2.7% per annum, the present value of the Club's outstanding contributions (i.e. their future liability) is £741,077 (2020: £734,956). The discount rate has been based on the BoE Gilt Yield Curve + 2.0% p.a. This amounts to £118,601 (2020: £113,406) due within one year and £622,476 (2020: £621,550) due after more than one year and is included within other payables.

A financial cost of £110,037 (2020: £139,940) is made to the Statement of Comprehensive Income during the year, representing the interest cost on the outstanding deficit of the Scheme.

In addition, the Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £334,484 (2020: £273,950). Contributions totalling £34,128 (2020: £52,533) were payable to the fund at the reporting date.

BLADES LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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31. Post balance sheet events

Subsequent to the period end, the first team management team has changed from Slavisa Jokanovic and his team to Paul Heckingbottom and his team.

Aaron Ramsdale, first team goalkeeper, has been sold to Arsenal Football Club on 20th August 2021.

32. 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 £14,183,407 (2020: £10,724,748). This amount is not provided in the financial statements as payment is not yet probable.

33. Ultimate parent undertaking and controlling party

The Group is headed up by Blades Leisure Limited. Blades Leisure Limited is a wholly owned subsidiary of United World Holding Limited, a Guernsey registered company.

34. Analysis of net debt

	At 1 August 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	At 30 June 2021 £
Cash at bank and in hand	7,572,215	(4,653,911)	-	-	2,918,304
Obligations under finance lease and hire purchase contracts	(318,812)	238,898	(311,624)	-	(391,538)
Debt due within 1 year	(1,235,442)	(29,073,419)	-	(23,473,389)	(53,782,250)
Debt due after 1 year	(23,473,389)			23,473,389	
	<u>(17,455,428)</u>	<u>(33,488,432)</u>	<u>(311,624)</u>	<u>-</u>	<u>(51,255,484)</u>

35. 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 period ended 30 June 2021. 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 23 December 2021.