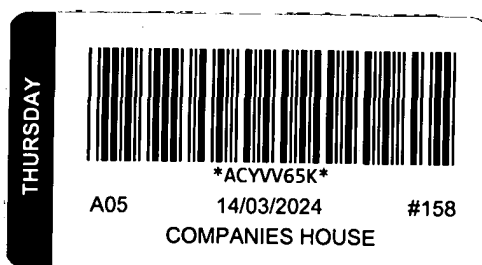


Registered number: 06963761

BLADES LEISURE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023



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	Bramall Lane Cherry Street Sheffield Yorkshire S2 4SU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Level 8 110 Queen Street Glasgow G1 3BX
Bankers	Santander UK Plc 58/60 Briggate Leeds West Yorkshire LS1 6AS

BLADES LEISURE LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 6
Directors' Report	7 - 8
Independent Auditor's Report	9 - 13
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Financial Position	15
Company Statement of Financial Position	16
Consolidated Statement of Changes in Equity	17
Company Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19 - 20
Notes to the Financial Statements	21 - 47

BLADES LEISURE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Directors present their report on the activities of Blades Leisure Limited for the financial year ending 30 June 2023 along with the financial statements and the Auditor's Report.

Principal activities

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

Business review

On-field performance

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

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

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

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

Off-field performance

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

Revenue

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

BLADES LEISURE LIMITED

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

Operating costs

Cost of sales in the period totalled £59m (2022: £52m) reflecting the impact of bonuses payable on promotion to the Premier League, offset by a further reduction in player wage cost in the EFL Championship following the activation of contractual clauses in player contracts which crystallised on relegation, and more conservative player recruitment.

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

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

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

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

Key performance indicators

Non-financial performance indicators operated by the Club

First team finishing position
Points per game
Average league attendance

Financial performance indicators operated by the Club

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

Equity, diversity, inclusion and employee engagement

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

Future developments

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

BLADES LEISURE LIMITED

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

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

Carbon Emissions

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

Streamlined Energy and Carbon Report for the year ending June 2023

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

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

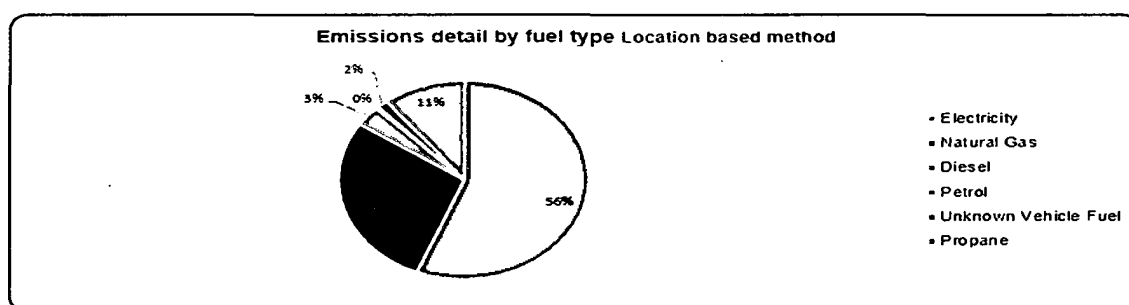
The carbon figures have been calculated using the DESNZ/BEIS 2023 carbon conversion factors for all fuels, other than the market-based electricity which has been taken from EDF as the UK supplier.

BLADES LEISURE LIMITED

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

UK carbon footprint data

Scope	Description	Emissions Source		tCO ₂ e		
				2020/21	2021/22	2022/23
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Transport: Petrol, Diesel	Location Based	513	406	589
			Market Based	513	406	589
Scope 2	Purchased energy	Electricity	Location based	722	609	778
			Market based	0	0	0
Scope 3	Indirect Emissions	Employee Business Mileage	Location based	34	37	19
			Market based	34	37	19
Total			Location based	1,269	1,051	1,385
			Market based	547	443	608
Intensity Ratio	tCO ₂ e/£1m Turnover		Location based	9.1	15.7	21.4
			Market based	3.9	6.6	9.4
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Petrol, Diesel, Unknown vehicle fuel		6,296,010	5,466,986	6,873,279
	Renewable %	Electricity				100%



Year on year emissions changes

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

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

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

BLADES LEISURE LIMITED

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

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

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

Energy efficiency actions taken

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

Going concern

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

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

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

Charitable activities

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

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.

BLADES LEISURE LIMITED

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

Sporting performance risk

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

Regulatory compliance risk

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

Section 172 statement

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

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

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

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

Abdullah Alghamdi

Abdullah Yousef Mohammed Alghamdi
Director

Date: 12/1/2024

BLADES LEISURE LIMITED

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

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

Results and dividends

The loss for the year, after taxation, amounted to £31,453,129 (2022: loss £15,247,773).

Directors

The Directors who served during the year were:

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

BLADES LEISURE LIMITED

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

Post balance sheet events

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

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

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

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

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

Disclosure of information to auditor

The Directors confirm that:

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

Abdullah Yousef Mohammed Alghamdi
Director

Date: 12/1/2024



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 year ended 30 June 2023, 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 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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 the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the 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)

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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

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.



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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

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

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

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

Use of our report

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



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

BLADES LEISURE LIMITED

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

	Note	2023 £	As restated 2022 £
Turnover	4	64,339,066	66,936,035
Cost of sales		(58,599,636)	(51,816,757)
Gross profit		5,739,430	15,119,278
Administrative expenses (excluding amortisation and impairment of intangible assets)		(19,995,504)	(13,750,718)
Amortisation and impairment of intangible assets	12	(18,135,763)	(24,802,116)
Other operating income	5	374,727	621,159
Impairment of tangible assets		-	(1,269,084)
Other operating charges		(14,491)	(18,182)
Operating loss	6	(32,031,601)	(24,099,663)
Profit on disposal of intangible assets		4,418,578	11,168,319
Profit on disposal of tangible assets		-	19,862
Total operating loss		(27,613,023)	(12,911,482)
Interest payable and similar expenses	10	(3,840,106)	(3,103,408)
Loss before tax		(31,453,129)	(16,014,890)
Tax on loss	11	-	767,117
Loss for the financial year		(31,453,129)	(15,247,773)
Revaluation of properties		-	10,024,537
Other comprehensive income for the year		-	10,024,537
Total comprehensive income for the year		(31,453,129)	(5,223,236)
Loss for the year attributable to:			
Owners of the parent company		(31,453,129)	(15,247,773)

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

The notes on pages 21 to 47 form part of these financial statements.

BLADES LEISURE LIMITED
REGISTERED NUMBER:06963761

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	18,563,069	32,189,323
Tangible assets	13	54,125,320	55,049,368
		<u>72,688,389</u>	<u>87,238,691</u>
Current assets			
Stocks	15	414,789	236,151
Debtors: amounts falling due within one year	16	14,543,878	24,359,474
Current asset investments	17	-	8,465,884
Cash at bank and in hand	18	633,130	1,648,351
		<u>15,591,797</u>	<u>34,709,860</u>
Creditors: amounts falling due within one year	19	(65,975,466)	(85,636,714)
Net current liabilities		<u>(50,383,669)</u>	<u>(50,926,854)</u>
Total assets less current liabilities		<u>22,304,720</u>	<u>36,311,837</u>
Creditors: amounts falling due after more than one year	20	(46,496,989)	(30,892,339)
Provisions for liabilities			
Deferred income	23	(9,983,343)	(8,141,981)
Net liabilities		<u>(34,175,612)</u>	<u>(2,722,483)</u>
Capital and reserves			
Called up share capital	24	33,200,000	33,200,000
Share premium account	25	27,495,642	27,495,642
Revaluation reserve	25	10,024,537	10,024,537
Profit and loss account	25	(104,895,791)	(73,442,662)
Equity attributable to owners of the parent Company		<u>(34,175,612)</u>	<u>(2,722,483)</u>

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

Abdullah Alghamdi
Abdullah Yousef Mohammed Alghamdi
 Director

Date: 12/1/2024

The notes on pages 21 to 47 form part of these financial statements.

BLADES LEISURE LIMITED
REGISTERED NUMBER:06963761

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	14	43,604,500	14,800,000
Current assets			
Debtors: amounts falling due within one year	16	-	5,557,920
Current asset investments	17	-	8,465,884
Cash at bank and in hand	18	15	15
		<u>15</u>	<u>14,023,819</u>
Creditors: amounts falling due within one year	19	(43,586,506)	(7,494,443)
Net current (liabilities)/assets		<u>(43,586,491)</u>	<u>6,529,376</u>
Total assets less current liabilities		<u>18,009</u>	<u>21,329,376</u>
Creditors: amounts falling due after more than one year	20	-	(21,311,367)
Net assets		<u><u>18,009</u></u>	<u><u>18,009</u></u>
Capital and reserves			
Called up share capital	24	33,200,000	33,200,000
Share premium account	25	27,495,642	27,495,642
Profit and loss account carried forward		(60,677,633)	(60,677,633)
		<u><u>18,009</u></u>	<u><u>18,009</u></u>

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 £Nil (2022: £Nil).

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

Abdullah Yousef Mohammed Alghamdi
Abdullah Yousef Mohammed Alghamdi
 Director

Date: 12/1/2024

The notes on pages 21 to 47 form part of these financial statements.

BLADES LEISURE LIMITED

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2022	33,200,000	27,495,642	10,024,537	(73,442,662)	(2,722,483)
Comprehensive income for the year					
Loss for the year	-	-	-	(31,453,129)	(31,453,129)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(31,453,129)	(31,453,129)
Total transactions with owners	-	-	-	-	-
At 30 June 2023	33,200,000	27,495,642	10,024,537	(104,895,791)	(34,175,612)

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2021	33,200,000	27,495,642	-	(58,194,889)	2,500,753
Comprehensive income for the period					
Loss for the year	-	-	-	(15,247,773)	(15,247,773)
Gain on revaluation of properties	-	-	10,024,537	-	10,024,537
Other comprehensive income for the year	-	-	10,024,537	-	10,024,537
Total comprehensive income for the year	-	-	10,024,537	(15,247,773)	(5,223,236)
Total transactions with owners	-	-	-	-	-
At 30 June 2022	33,200,000	27,495,642	10,024,537	(73,442,662)	(2,722,483)

The notes on pages 21 to 47 form part of these financial statements.

BLADES LEISURE LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2022	33,200,000	27,495,642	(60,677,633)	18,009
Comprehensive income for the year				
Profit for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	33,200,000	27,495,642	(60,677,633)	18,009
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2021	33,200,000	27,495,642	(60,677,633)	18,009
Comprehensive income for the year				
Profit for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	33,200,000	27,495,642	(60,677,633)	18,009
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 21 to 47 form part of these financial statements.

BLADES LEISURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(31,453,129)	(15,247,773)
Adjustments for:		
Amortisation of intangible assets	18,135,763	24,802,116
Depreciation of tangible assets	3,499,900	3,274,771
Impairments of tangible assets	-	1,269,084
Profit on sale of intangible assets	(4,418,578)	(11,168,319)
Profit on sale of tangible assets	-	(19,862)
Government grants	(74,308)	(74,307)
Interest payable	3,840,105	3,103,408
Taxation charge	-	(767,117)
(Increase)/decrease in stocks	(178,638)	1,187,132
Decrease/(increase) in debtors	1,382,088	(4,952,253)
Increase/(decrease) in creditors	3,887,180	(9,067,135)
Corporation tax received/(paid)	51,266	(2,052,192)
Increase/(decrease) in deferred income	1,915,672	464,466
Net cash generated from operating activities	(3,412,679)	(9,247,981)
Cash flows from investing activities		
Purchase of intangible assets	(25,234,952)	(10,312,187)
Proceeds from sale of intangible assets	12,933,416	9,726,086
Purchase of tangible assets	(2,575,852)	(977,113)
Proceeds from sale of tangible assets	-	19,862
Sale/(purchase) of current assets investments	8,465,884	(2,507,336)
Net cash from investing activities	(6,411,504)	(4,050,688)

BLADES LEISURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from financing activities		
Repayment of loans	(55,250,833)	(41,320,256)
Advance of bank loans	45,000,000	50,577,680
Advance of directors loans	22,720,886	6,083,910
Addition/(repayment) of finance leases	179,014	(209,210)
Interest payable	(3,840,105)	(3,103,408)
Net cash used in financing activities	8,808,962	12,028,716
Net (decrease) in cash and cash equivalents	(1,015,221)	(1,269,953)
Cash and cash equivalents at beginning of year	1,648,351	2,918,304
Cash and cash equivalents at the end of year	633,130	1,648,351
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	633,130	1,648,351

BLADES LEISURE LIMITED

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

1. General information

Blades Leisure Limited ("the Company") is a private Company limited by shares, incorporated in England and Wales. Registered number 06963761. The Company's registered office is Bramall Lane, 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 financial statements are presented in Sterling and all values are rounded to the nearest pound (£).

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 YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.3 Going concern

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

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

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

2.4 Turnover

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

Match day

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

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

Broadcasting

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

Sponsorship & advertising

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

Facility

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

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

BLADES LEISURE LIMITED

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

2. Accounting policies (continued)

2.5 Other operating income

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

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

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 assets

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

The 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 profit or loss during the period in which they are incurred.

BLADES LEISURE LIMITED

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

2. Accounting policies (continued)**2.7 Tangible 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 profit or loss.

2.8 Revaluation of tangible assets

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

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

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

2.9 Operating leases

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

2.10 Impairment of 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.

BLADES LEISURE LIMITED

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

2. Accounting policies (continued)**2.11 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.

2.12 Stocks

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

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

2.13 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.

2.14 Cash and cash equivalents

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

2.15 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.

BLADES LEISURE LIMITED

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

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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.

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.

2.16 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.

2.17 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.

BLADES LEISURE LIMITED

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

2. Accounting policies (continued)

2.18 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.

2.19 Borrowing costs

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

2.20 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 reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

BLADES LEISURE LIMITED

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

2. Accounting policies (continued)

2.21 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.

2.22 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.

2.23 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 YEAR ENDED 30 JUNE 2023**

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, 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 27 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.

3.5 Impairment of tangible assets

The valuation of tangible assets is given consideration by the Directors. When a valuation is undertaken, if the value of the assets does not increase, then the impairment of this asset is reflected in the Statement of Comprehensive Income in the year. The basis of valuation of property has changed during the prior year, see note 13 for further details of the revaluation.

BLADES LEISURE LIMITED

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

4. Turnover

	2023 £	2022 £
Match day	9,656,794	7,110,784
Broadcasting	42,678,951	50,740,800
Sponsorship & advertising	5,273,402	3,696,069
Facility	6,729,919	5,388,382
	<u>64,339,066</u>	<u>66,936,035</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	63,255,886	66,786,618
Rest of Europe	183,640	48,167
Rest of the World	899,540	101,250
	<u>64,339,066</u>	<u>66,936,035</u>

5. Other operating income

	2023 £	2022 £
Other grants released	74,308	74,308
Other income	300,419	546,851
	<u>374,727</u>	<u>621,159</u>

6. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation of tangible assets	3,499,900	3,274,771
Amortisation of intangible assets	18,135,763	24,802,116
Impairment of trade debtors	185,486	136,229
Operating lease rentals	45,084	23,751
Impairment of tangible assets	-	1,269,084
	<u>-</u>	<u>1,269,084</u>

BLADES LEISURE LIMITED

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

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

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

8. Employees

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Wages and salaries	42,900,198	37,095,249	-	-
Social security costs	5,569,605	5,081,296	-	-
Cost of defined contribution scheme	191,719	193,704	-	-
	<hr/> <hr/> 48,661,522	<hr/> <hr/> 42,370,249	<hr/> <hr/> -	<hr/> <hr/> -

The total staff costs, including Directors' remuneration for the Company was £Nil (2022: £Nil).

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

	2023	2022
	No.	No.
Playing and coaching staff	145	143
Non-football	187	169
	<hr/> <hr/> 332	<hr/> <hr/> 312

The average monthly number of employees, including the Directors, for the Company was Nil (2022: Nil).

BLADES LEISURE LIMITED

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

9. Directors' remuneration

There was no directors' remuneration within the year (2022: £Nil).

The highest paid director received remuneration of £Nil (2022: £Nil).

The value of the groups contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2022: £Nil).

10. Interest payable and similar expenses

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

11. Taxation

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

BLADES LEISURE LIMITED

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

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

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

	2023 £	2022 £
Loss on ordinary activities before tax	(31,453,129)	(16,014,890)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	(6,447,891)	(3,042,829)
Effects of:		
Fixed asset differences	605,628	209,073
Expenses not deductible for tax purposes	909,984	660,810
Non-taxable income	(15,223)	(22,473)
Other permanent differences	-	1,170
Adjustments to tax charge in respect of prior periods	-	(767,117)
Remeasurement of deferred tax for changes in tax rates	(1,084,981)	(559,115)
Movement in deferred tax not recognised	6,022,172	2,065,599
Removal of prior year adjustment relating to deferred tax	-	(18,384)
Losses carried back	-	706,149
Other timing differences	10,311	-
Total tax charge for the year	-	(767,117)

Factors that may affect future tax charges

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

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

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

BLADES LEISURE LIMITED

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

12. Intangible assets**Group**

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

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

Amortisation on intangible assets is charged to administrative expenses.

BLADES LEISURE LIMITED

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

13. Tangible assets**Group**

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2022	54,356,434	12,938,677	50,668	67,345,779
Additions	49,176	2,526,676	-	2,575,852
At 30 June 2023	54,405,610	15,465,353	50,668	69,921,631
Depreciation				
At 1 July 2022	3,165,886	9,079,857	50,668	12,296,411
Charge for the year on owned assets	1,062,227	2,437,673	-	3,499,900
At 30 June 2023	4,228,113	11,517,530	50,668	15,796,311
Net book value				
At 30 June 2023	50,177,497	3,947,823	-	54,125,320
At 30 June 2022	51,190,548	3,858,820	-	55,049,368

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

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

BLADES LEISURE LIMITED

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

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2022	34,617,313
Additions	28,804,500
At 30 June 2023	<u>63,421,813</u>
Impairment	
At 1 July 2022	19,817,313
At 30 June 2023	<u>19,817,313</u>
Net book value	
At 30 June 2023	<u><u>43,604,500</u></u>
At 30 June 2022	<u><u>14,800,000</u></u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Sheffield United Football Club Limited	Professional football club	Ordinary	100%
Premier Security and Events Limited	Dormant	Ordinary	100%
Bobby Charlton International Limited	Dormant	Ordinary	100%
Esplanade 1 Limited	Dormant	Ordinary	100%

BLADES LEISURE LIMITED

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

14. Fixed asset investments (continued)**Indirect subsidiary undertaking**

The following was an indirect subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
SUFC Women Limited	Professional football club	Ordinary	100%

All subsidiary undertakings are registered at Bramall Lane Ground, Cherry Street, S2 4SU and are incorporated in England and Wales.

On 14th February 2023, £27,606,500 of intercompany debt between Blades Leisure Limited and The Sheffield United Football Club was converted to equity in the form of 55,213 ordinary shares in The Sheffield United Football Club.

On 23rd June 2023, £1,198,000 of intercompany debt between Blades Leisure Limited and The Sheffield United Football Club was converted to equity in the form of 2,396 ordinary shares in The Sheffield United Football Club.

This forms an investment from the Company Blades Leisure Limited. No payment was exchanged, the transaction absolved an element of the loan between group companies.

15. Stocks

	Group 2023 £	Group 2022 £
Goods for resale	414,789	236,151

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

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

BLADES LEISURE LIMITED

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

16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	12,014,160	21,423,787	-	-
Amounts owed by group	-	-	-	5,557,920
Other debtors	499,678	649,898	-	-
Prepayments and accrued income	1,323,891	1,528,374	-	-
Tax recoverable	706,149	757,415	-	-
	<u>14,543,878</u>	<u>24,359,474</u>	<u>-</u>	<u>5,557,920</u>

Included within trade debtors are amounts totaling £8,412,760 (2022: £16,795,000) relating to the consideration receivable for the sale of player registrations.

Trade debtors are stated after provisions for impairment of £368,058 (2022: £197,602).

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

17. Current asset investments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Fixed-term deposit accounts	-	8,465,884	-	8,465,884
	<u>-</u>	<u>8,465,884</u>	<u>-</u>	<u>8,465,884</u>

18. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	633,130	1,648,351	15	15
	<u>633,130</u>	<u>1,648,351</u>	<u>15</u>	<u>15</u>

BLADES LEISURE LIMITED

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

19. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Bank loans	7,788,840	32,999,053	-	1,235,442
Directors loan	28,804,796	6,083,910	28,804,796	6,083,910
Trade creditors	9,454,632	29,782,758	-	-
Football league pension liability	130,758	124,532	-	-
Amounts owed to group	-	-	14,781,710	-
Other taxation and social security	1,408,974	5,043,469	-	-
Net obligations under finance lease and hire purchase contracts	73,018	167,635	-	-
Other creditors	1,142,665	6,423,866	-	-
Accruals	17,171,783	5,011,491	-	175,091
	<u>65,975,466</u>	<u><i>85,636,714</i></u>	<u>43,586,506</u>	<u><i>7,494,443</i></u>

Included within the above amounts are £5,651,724 (2022: £26,766,543) relating to consideration payable for player registrations.

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

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

The repayment terms of banking facilities are dependent upon football league status. As at 30 June 2023, the Clubs payment terms on the facilities fall greater than one year, assuming Premier League retention. Subsequent to year end, an amendment has been made on the banking facilities whereby £2,250,000 now falls due within 12 months.

BLADES LEISURE LIMITED

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

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	45,000,000	30,040,621	-	21,311,367
Net obligations under finance leases and hire purchase contracts	288,323	14,693	-	-
Trade creditors	833,133	311,160	-	-
Football league pension liability	366,403	516,735	-	-
Share capital treated as debt	9,130	9,130	-	-
	46,496,989	30,892,339	-	21,311,367

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

Included within the above amounts are £833,133 (2022: £311,160) 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.

The repayment terms of banking facilities are dependent upon football league status. As at 30 June 2023, the Clubs payment terms on the facilities fall greater than one year, assuming Premier League retention. Subsequent to year end, an amendment has been made on the banking facilities whereby £2,250,000 now falls due within 12 months.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	114,998	179,544
Between 1-5 years	352,225	16,826
	467,223	196,370
Less interest	(105,881)	(14,042)
	361,341	182,328

BLADES LEISURE LIMITED

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

22. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Trade debtors	12,014,160	21,423,787	-	-
Amounts owed by group	-	-	-	5,557,920
Other debtors	499,678	649,898	-	-
	<u>12,513,838</u>	<u>22,073,685</u>	<u>-</u>	<u>5,557,920</u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial liabilities				
Trade creditors	(10,287,765)	(30,093,918)	-	-
Amounts owed to group	-	-	(14,781,710)	-
Bank loans	(52,788,840)	(63,039,674)	-	(22,546,809)
Other creditors	(1,142,665)	(6,423,866)	-	-
Accruals	(17,171,783)	(5,011,491)	-	(175,091)
Football League pension liability	(497,161)	(641,267)	-	-
Net obligations under finance leases and hire purchase contracts	(361,341)	(182,328)	-	-
Preference share capital treated as debt	(9,130)	(9,130)	-	-
	<u>(82,258,685)</u>	<u>(105,401,674)</u>	<u>(14,781,710)</u>	<u>(22,721,900)</u>

23. Deferred income

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

BLADES LEISURE LIMITED

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

24. Share capital

	2023	<i>2022</i>
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
33,200,000 Ordinary shares of £1 each	33,200,000	<i>33,200,000</i>

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

	Group	<i>Group</i>
	2023	<i>2022</i>
	£	£
Shares classified as debt		
913 Preference shares of £10 each	9,130	<i>9,130</i>

25. Reserves

Share premium account

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

Revaluation reserve

Includes reserves for the revaluation of tangible asset buildings.

Profit and loss account

Includes all current and prior period retained profits and losses.

26. Contingent liabilities

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

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

BLADES LEISURE LIMITED

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

27. Pension commitments

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

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

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

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

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

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

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

Present value of defined benefit obligation

	2023	2022
	£	£
Present value of defined benefit obligation	497,161	641,267

BLADES LEISURE LIMITED

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

27. Pension commitments (continued)**Reconciliation of defined benefit obligation**

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

Income and Expenditure Impact

	2023 £	2022 £
Net Interest Charge (unwinding of discount rate)	15,637	18,795
Remeasurement (changes in assumptions)	(35,206)	-

Assumptions

	2023	2022
Discount rate*	6.39%	2.70%

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

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

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

BLADES LEISURE LIMITED

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

28. Commitments under operating leases

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

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

29. Related party transactions

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

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

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

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

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

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

BLADES LEISURE LIMITED

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

30. Post balance sheet events

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

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

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

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

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

31. Contingent transfer fees payable

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

32. Ultimate parent and controlling party

The Group is headed up by Blades Leisure Limited, Bramall Lane, Cherry Street, Sheffield, Yorkshire, S2 4SU. Blades Leisure Limited is a wholly owned subsidiary of United World Holding Limited, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW, a Guernsey registered company.

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

BLADES LEISURE LIMITED

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

33. Analysis of net debt

	At 1 July 2022 £	Cash flows £	At 30 June 2023 £
Cash at bank and in hand	1,648,351	(1,015,221)	633,130
Obligations under finance lease and hire purchase contracts	(182,328)	(179,013)	(361,341)
Debt due within 1 year	(32,999,053)	25,210,213	(7,788,840)
Debt due after 1 year	(30,040,621)	(14,959,379)	(45,000,000)
	<u>(61,573,651)</u>	<u>9,056,600</u>	<u>(52,517,051)</u>

34. Liability limitation agreement with the auditor

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