The Liverpool Football Club and Athletic Grounds Limited

Annual report and consolidated
financial statements
Registered number 00035668
31 May 2023

Contents

Group Strategic report

The directors present their strategic report and financial statements of The Liverpool Football Club and Athletic Grounds Limited ("the Club" or "Company") and its subsidiaries (together "the Group") for the year ended 31 May 2023.

Principal activities

The Company is a wholly owned subsidiary of UKSV Holdings Company Limited, a company incorporated in the United Kingdom.

The Company's principal activity during the year continued to be those of a professional football club and related activities.

Strategy

The four key elements of the Group's strategy are to:

- Improve football performance through a positive playing style and strategic player investment;
- Improve the scouting and player recruitment process;
- Improve the fan experience and interaction with the Club; and
- Leverage the Club's global following to deliver profitable revenue growth.

Review of the business

During the reporting period the Club finished in fifth place in the Premier League season qualifying for the Europa League competition for the 2023/2024 season. The Club also reached the Last 16 of the UEFA Champions League during the 2022/23 season.

Profit and Loss Account

Turnover for the year ended 31 May 2023 was £593.8 million *(2022: £594.3 million).*

Media revenue for the year ended 31 May 2023 was £241.6 million (2022: £260.8 million). The decrease mainly related to lower Champions League Media revenue due to progressing to the Last 16 stage in Season 2022/23 compared to reaching the Final in Season 2021/22. This was partially offset by increased Premier League Media revenue as a result of the uplift in the new broadcasting cycle commencing in the Season 2022/23.

Match day revenue for the year ended 31 May 2023 was £79.8 million *(2022: £86.8 million).* The decrease in matchday revenue was as a result of fewer competitive games being played in season 2022/23 season.

Commercial revenue for the year ended 31 May 2023 was £272.5 million *(2022: £246.7 million)*, with strong growth in Sponsorship and Pre-Season revenue during this period.

Administrative expenses for the year ended 31 May 2023 were £561.5 million *(2022: £545.0 million).* The increase mainly related to higher salary and overhead costs during the period.

The profit on the disposal of player registrations for the year ended 31 May 2023 was £33.8 million *(2022: £28.1 million).*

Interest payable for the year ended 31 May 2023 was £6.2 million *(2022: £3.5 million).*

The loss before taxation for the year ended 31 May 2023 was £9.0 million *(2022: £7.5 million profit).*

Group Strategic report *(continued)*

Review of the business *(continued)*

Balance Sheet

Intangible fixed assets have increased from £275.6 million at 31 May 2022 to £289.1 million at 31 May 2023. This is as a result of player acquisitions of £133.5 million offset by the net book value of disposals of £10.3 million and amortisation and impairment of £109.7 million.

Tangible fixed assets have increased from £233.3 million at 31 May 2022 to £274.6 million at 31 May 2023. The main element of this increase related to the build of the new Anfield Road stand currently under construction.

Net bank debt after deferred loan costs has increased by £48.4 million from £73.6 million at 31 May 2022 to £122.0 million at 31 May 2023.

Intercompany debt has remained the same with £71.4 million at 31 May 2022 and also at 31 May 2023.

Key performance indicators

The principal key performance indicators for the financial year were as follows:

Non-financial

- European competition qualification – The Club qualified for the Europa League competition for the 23/24 season having qualified for the Champions League in the previous six seasons.
- Attendance versus capacity – 98% attendance during 2022/2023 season.
- Performance of all squads – as well as the Club's performance as detailed in the review of the business, the LFC Women's team finished seventh in the FA Women's Super League, retaining their Women's Super League status for the 2023/2024 season.

Financial

- Revenue
- Payroll costs
- EBITDA (Earnings before interest, tax, depreciation, and amortisation)
- Cash flow
- Player trading
- Capital expenditure

Principal risks and uncertainties

The Board acknowledges there are risks that affect the Group and action is taken to minimise the risks. The directors consider the principal risks and uncertainties associated with running a professional football Club such as Liverpool Football Club to be the player transfer market and wage levels, attendance levels, and revenues from broadcasting contracts and football competitions. An area of focus is the player transfer market and wage costs, and the aim is to manage these costs within financial constraints, whilst remaining as competitive as possible. Development of the Club's commercial revenue continues, and the Board is mindful that continued success on the field is paramount to this development. Regular meetings are held internally at the Club on the latest risks and financial and commercial issues, including health and safety updates.

Future developments

The Club will continually aim to be successful both on and off the pitch, with successful seasons in the Premier League and UEFA competitions, whilst continuing to explore new commercial opportunities to further support the Club.

Group Strategic report *(continued)*

Financial risk management objectives and policies

An explanation of the Group's exposure to liquidity and cash flow risk, currency risk and credit risk is given in note 19 of the financial statements.

Directors' statement of responsibilities under section 172 Companies Act 2006

The Directors understand their duty to promote the success of the Group for the benefits of its members while considering the Group's long-term decisions and the impacts on, and views of, the wider stakeholder groups. The main stakeholders of the business include fans, employees, sponsors, suppliers, lenders, football authorities and owners. For the Group success means the performance of the team on the pitch and the long-term increase in the value of the Group stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and the environment and the likely consequences of decisions in the long term.

The Directors continue to consider each of the sub-sections of s.172 during the year:

- The likely consequences of any decision in the long-term
- The need to foster the Group's relationships with supporters, suppliers, customers, and others
- The impact of the Group's operations on the community and environment
- The desirability of the Group maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the Group
- The interest of the Group's employees

The Directors understand that the strength of the business is built on the hard work and dedication of all its employees, with the Club providing an environment where opportunities exist for employees to realise their potential in a working environment where they can succeed. Reds Together is the Club's approach to Equality, Diversity & Inclusion. The Club aims to be the most inclusive football club – providing fair opportunities to as many different people as possible, being welcoming and meeting their needs as best it can in employment, watching the game, playing the game and supporting the team.

The Club always has and continues to enjoy a unique relationship with its loyal and dedicated supporter base. It recognises and respects the invaluable contribution made by each and every supporter to the ongoing success and longevity of the Club. As such, Liverpool Football Club endeavours to be open and accessible to its supporters, communicating information via the appropriate channels in a clear and effective manner.

To further demonstrate the value the Club places in the fan base, an official Supporters Board was formed on 17th August 2022. The Board is represented by 16 members, with representatives from many of the existing fan groups. The Supporters Board meets with Executives and Senior Club staff to discuss strategic issues, with the Chair and Vice Chair meeting with the Board of Directors on an annual basis.

The Club has a constructive and cooperative relationship with the regulatory bodies that authorise and regulate its business activities which allows the Club to maintain a reputation for high standards of business conduct.

The Club is dedicated to being a good neighbour. Whether that is engaging people in Liverpool FC's local or global communities, the Club is committed to supporting fans, schools, community organisations and grassroots football to inspire positive and lasting change in people's lives.

By order of the board

Andrew Hughes
Director

Anfield Road
Liverpool
L4 0TH

Group Corporate Governance report

Introduction

The Wates Corporate Governance Principles for Large Private Companies serves as a framework to demonstrate how Directors have had regard for the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duties, including how Directors have engaged with and considered the interests of all stakeholders. The below sets out how the Directors have considered and incorporated the Wates principles

Purpose and Leadership

The Directors of the Club, together with the Executive Committee and wider Leadership team continually review and communicate the Club's strategy to ensure it is aligned with the purpose of the Company and promotes its values and culture.

Leadership Composition

The Board consists of representatives of Ownership, the Chief Executive Officer, Managing Director, and a Non-Executive Director. The Board delegates the day to day running of the Club to the Executive Committee and other key decision-making bodies across its Football and Non-Football operations. The Executive Committee members include senior leaders from Finance, Legal, Human Resources, Commercial and Operations departments with a diverse range of skills and expertise.

Director Responsibilities

The Board and its individual directors have a clear understanding of their accountability and responsibilities. The Executive Committee and other decision-making boards meet regularly to ensure tasks are reviewed and delegated to the individuals with appropriate knowledge and experience. The Board also understands the importance of promoting the correct ways of working to foster the right culture for all Club employees and operate a Corporate Governance Framework and Equality, Diversity and Inclusion policy.

Opportunity and risk

The Executive Committee and other decision-making boards meet on a regular basis to discuss opportunities to create and preserve value, and uses both internal expertise and external consultants to explore innovative ways of working to further growth.
The Club also monitors and acts to mitigate risk, actively managing a Risk Register and encouraging regular communication between all leaders of the Club to ensure the right people are engaged in the right processes.

Remuneration

The Club regularly reviews the remuneration and benefits of its staff and how this compares to market benchmarks. The Club also operates bonus schemes linked to the financial success of the company and the performance of the individual staff member in their role. The Club is committed to creating a culture in which employees can reach their potential and be rewarded for their contribution to the Club's success.

Stakeholder Relationships and Engagement

The Club values all Stakeholders and continually looks to improve opportunities for them to engage and further improve relationships which are essential to the longer-term success of the Club. The Directors have further disclosed its engagement with stakeholders in their Statement of Responsibilities under section 172 Companies Act 2006 on page 3 of these financial statements.

Group Directors' report

The directors present their directors' report and financial statements of The Liverpool Football Club and Athletic Grounds Limited (the "Company") and its subsidiaries (together "the Group") for the year ended 31 May 2023.

Results and dividend

The Consolidated Group Profit and Loss Account on page 12 shows a loss before taxation for the year of £9.0 million (*2022: £7.5 million profit*). The directors do not recommend the payment of a dividend (*2022: nil*).

Directors

The directors who held office during the year were as follows:

J Henry
T Werner
M Gordon
M Egan
K Dalglish
A Hughes
W Hogan

Directors benefit from qualifying third-party indemnity provisions in place during the financial period and at the date of this report.

Going concern

The Group made a loss for the year of £6.9 million (*2022: £2.4 million profit*) and has net current liabilities of £180.9 million (*2022: £159.0 million*).

In determining whether the Group's annual financial statements can be prepared on a going concern basis and whether there is a material uncertainty with respect to going concern, the Directors have considered the Group's business activities, together with the factors likely to affect its future development, performance and position for a period to 30 September 2024. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The key factors considered by the directors in making the assessment of going concern were as follows:

• The implications of changes to the economic environment on the Group's revenues and profits, assuming the club can continue to compete in all competitions without interruption from further pandemic conditions or other disruptive global or domestic events.

• A prudent assumption in respect of the expected success of the club in the various competitions that it expects to compete in during the coming season, including the Premier League and the UEFA Europa League.

• Cash flows in respect of transfers of players based on the underlying contractual terms.

• The revolving loan facility expanded to £300.0 million on 7 June 2023 with expiry of 31 July 2025. The facility is available for general corporate purposes including working capital and letters of credit, and compliance with the covenants thereon.

• Confirmation the Group's Parent does not intend to call the parent loan undertaking for payment in the next 12 months unless the Group has sufficient resources to enable repayment amounting to £71.4 million.

Group Directors' report *(continued)*

Going concern *(continued)*

Conclusion

Whilst the Directors' base case scenario indicates sufficient funds are available without additional funding within the going concern assessment period, some cases of downside on this model would result in additional funding being required within the forecast period for the Group to meet its liabilities as they fall due. However, the Directors are satisfied that the Group has several additional funding options which would individually cover a shortfall in the forecast period, and therefore the Directors are satisfied that there is not a material uncertainty regarding going concern. The additional funding options which have been considered in this assessment include:

• The Group could obtain additional funding from its ultimate parent company.

• The Group could factor future receivables to generate additional short-term liquidity, including existing trade debtor balances from deferred player registration sale proceeds or future media revenues.

• The Group could generate additional cash from the sale of assets including player registrations as well as a further assessment of associated costs.

Based on the additional funding options available to the Group as described above, any of which would provide sufficient liquidity in the downside scenario, the Directors are confident that there is not a material uncertainty regarding going concern and that it remains appropriate to adopt the going concern basis for the preparation of the financial statements. In preparing the financial statements, the Directors have not included any adjustments that would be required to be made if they were prepared on a basis other than going concern.

Post balance sheet events

Details of post balance sheet events are given in note 26 of the financial statements.

Employees

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

The Group operates an equal opportunities policy. The aim of this policy is to ensure that there should be equal opportunity for all, and this applies to external recruitment, internal appointments, terms of employment, conditions of service and opportunity for training and promotion regardless of gender, ethnic origin or disability.

Disabled persons are given full and fair consideration for all types of vacancy in as much as the opportunities available are constrained by the practical limitations of the disability. Should, for whatever reason, an employee of the Group become disabled whilst in employment, every step, where appropriate, will be taken to assist with rehabilitation and suitable re-training. The Group maintains its own health, safety and environmental policies covering all aspects of its operations.

Regular meetings and inspections take place to ensure all legal requirements are adhered to and that the Group is responsible for the needs of the employees and the environment.

Group Directors' report *(continued)*

Streamlined Energy & Carbon Report (SECR)

The Group has been pro-active during the season in progressing towards its ambitious energy efficiency and carbon reduction targets. The primary development has been the adoption of the ISO:50001 standard by the club which has now been independently verified and continued during this period. This standard provides an Energy Management System through which the Group has monitored its energy usage during the season. The ISO:50001 standard and associated systems have underpinned the Group's Carbon Management Plan. The Group is now carbon neutral which has been verified in accordance with BSI's PAS2060. Through 'The Red Way' scheme, the Group has used its ESOS data and additional surveys to identify further potential savings. With ESOS phase 3 now in progress the Group will be looking to implement further savings found from future site surveys. Through this work, the Group has formalised its commitment to energy efficiency and look forward to progressing this in the next financial period. The current intensity ratio for the reporting period was 5.8 (2022: 5.6). This is comprised of all emissions associated with the operating activities of the Group, divided by turnover. The methodology used is aligned to the GHG Protocol.

	2023	*2022*
Emissions from combustion of fuels (Tco2e) (Scope 1)	**1,200**	1,028
Emissions from purchased electricity (Tco2e) (Scope 2)	**2,243**	2,265
Total emissions (Tco2e)	**3,431**	3,293
Intensity ratio (Tco2e/£m Turnover)	**5.8**	5.6
Energy consumption used to calculate emissions (kWh)	**17,798,586**	16,049,654

Future developments

Future developments are discussed in the strategic report

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst and Young LLP will therefore continue in office.

By order of the board

Andrew Hughes
Director

Anfield Road
Liverpool
L4 0TH

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 state of affairs of the Group and parent company and of the profit or loss for the Group and company for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of The Liverpool Football Club and Athletic Grounds Limited

Opinion

We have audited the financial statements of The Liverpool Football Club and Athletic Grounds Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 May 2023 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes 1 to 26, 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 FRS 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 group's and of the parent company's affairs as at 31 May 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 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

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 and parent company's ability to continue as a going concern for the period to 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of The Liverpool Football Club and Athletic Grounds Limited *(continued)*

Other information (continued)

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 course of 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 this gives rise to 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of The Liverpool Football Club and Athletic Grounds Limited *(continued)*

Auditor's responsibilities for the audit of the financial statements (continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102), the Companies Act 2006, the relevant direct and indirect tax compliance regulations in the United Kingdom, and the regulations of The Football Association Premier League and the Union of European Football Associations.

- We understood how The Liverpool Football Club and Athletic Grounds Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures, including internal legal counsel. We corroborated our enquiries through reading the minutes of board meetings and reviewing correspondence with authorities and external legal counsel.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management in various parts of the business to understand where they considered there was susceptibility to fraud. We considered the risk of management override to be a fraud risk, specifically around the posting of manual journals to revenue around the period end.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries which met specific risk criteria set by the audit team.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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.

Ernst & Young LLP

Mark J Morritt (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
Date: 27th September 2023

Consolidated Profit and Loss Account and Other Comprehensive Income

for the year ended 31 May 2023

	Note	2023 £000	2022 £000
Turnover	*2*	**593,836**	594,271
Cost of sales		**(70,543)**	(67,305)
Gross profit		**523,293**	526,966
Administrative expenses	*3*	**(561,517)**	(545,041)
Profit on disposal of players' registrations		**33,767**	28,124
Operating (loss)/ profit		**(4,457)**	10,049
Interest receivable and similar income	*6*	**1,614**	893
Interest payable and similar charges	*7*	**(6,162)**	(3,473)
(Loss)/ profit on ordinary activities before taxation		**(9,005)**	7,469
Tax on loss/ profit on ordinary activities	*8*	**2,075**	(5,033)
(Loss)/ profit for the financial year		**(6,930)**	2,436
Other comprehensive loss for the period		**(107)**	(7)
Total comprehensive (loss)/ income for the year attributable to the shareholders of the parent company		**(7,037)**	2,429

The activities represent the continuing activities of the Group.

The notes on pages 18 to 36 form part of the financial statements.

Consolidated Balance Sheet
at 31 May 2023

	Note	**2023** **£000**	**2023** **£000**	2022 £000	2022 £000
Fixed assets					
Intangible assets	*9*		**289,097**		275,625
Tangible assets	*10*		**274,587**		233,272
			563,684		508,897
Current assets					
Stocks		**19,349**		13,958	
Debtors (including £30.8 million *(2022: £19.8 million)* due after more than one year)	*12*	**134,526**		140,728	
Cash at bank and in hand		**3,394**		13,541	
		157,269		168,227	
Creditors: amounts falling due within one year	*13*	**(338,139)**		(327,188)	
Net current liabilities			**(180,870)**		(158,961)
Total assets less current liabilities			**382,814**		349,936
Creditors: amounts falling due after more than one year	*14*		**(167,487)**		(126,080)
Provisions for liabilities					
Deferred tax	*16*		**(20,695)**		(22,187)
Net assets			**194,632**		201,669
Capital and reserves					
Called up share capital	*18*		**174**		174
Share premium account			**101,847**		101,847
Capital contribution reserve			**107,704**		107,704
Accumulated other comprehensive loss			**(114)**		(7)
Retained losses			**(14,979)**		(8,049)
Shareholders' funds			**194,632**		201,669

The notes on pages 18 to 36 form part of the financial statements.

These financial statements were approved by the board of directors on 26th September 2023 and were signed on its behalf by:

Andrew Hughes
Director

Company registered number: 00035668

Company Balance Sheet
at 31 May 2023

	Note	**2023**	**2023**	2022	2022
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*9*		**289,076**		275,619
Tangible assets	*10*		**274,250**		232,927
Investments	*11*		**15,890**		15,890
			579,216		524,436
Current assets					
Stocks		**19,349**		13,958	
Debtors (including £30.8 million *(2022: £19.8 million)* due after more than one year)	*12*	**138,928**		144,698	
Cash at bank and in hand		**3,038**		13,401	
		161,315		172,057	
Creditors: amounts falling due within one year	*13*	**(337,570)**		(327,027)	
Net current liabilities			**(176,255)**		(154,970)
Total assets less current liabilities			**402,961**		369,466
Creditors: amounts falling due after more than one year	*14*		**(187,488)**		(146,081)
Provisions for liabilities					
Deferred tax			**(20,745)**		(22,187)
Net assets			**194,728**		201,198
Capital and reserves					
Called up share capital	*18*		**174**		174
Share premium account			**101,847**		101,847
Capital contribution reserve			**107,704**		107,704
Accumulated other comprehensive loss			**(114)**		(7)
Retained losses			**(14,883)**		(8,520)
Shareholders' funds			**194,728**		201,198

The Company made a loss after tax for the financial year of £6.4 million (*2022: £3.0 million profit*).

The notes on pages 18 to 36 form part of the financial statements.

These financial statements were approved by the board of directors on 26th September 2023 and were signed on its behalf by:

Andrew Hughes
Director

Company registered number: 00035668

Consolidated Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Accumulated Other comp've loss £000	Retaine d losses £000	Total equity £000
Balance at 1 June 2021	174	101,847	107,704	-	(10,485)	199,240
Profit for the period	-	-	-	-	2,436	2,436
Other comprehensive loss for the period	-	-	-	(7)	-	(7)
Total comprehensive income for the period	-	-	-	(7)	2,436	2,429
Balance at 31 May 2022	174	101,847	107,704	(7)	(8,049)	201,669
Loss for the period	-	-	-	-	(6,930)	(6,930)
Other comprehensive loss for the period	-	-	-	(107)	-	(107)
Total comprehensive loss for the period	-	-	-	(107)	(6,930)	(7,037)
Balance at 31 May 2023	**174**	**101,847**	**107,704**	**(114)**	**(14,979)**	**194,632**

The notes on pages 18 to 36 form part of the financial statements.

Company Statement of Changes in Equity

	Called up share capital £000	**Share premium account £000**	**Capital contribution reserve £000**	**Accumulated Other comp've loss £000**	**Retained losses £000**	**Total equity £000**
Balance at 1 June 2021	174	101,847	107,704	-	(11,542)	198,183
Profit for the period	-	-	-	-	3,022	3,022
Other comprehensive loss for the period	-	-	-	(7)	-	(7)
Total comprehensive income for the period	-	-	-	(7)	3,022	3,015
Balance at 31 May 2022	174	101,847	107,704	(7)	(8,520)	201,198
Loss for the period	-	-	-	-	(6,363)	(6,363)
Other comprehensive loss for the period	-	-	-	(107)	-	(107)
Total comprehensive loss for the period	-	-	-	(107)	(6,363)	(6,470)
Balance at 31 May 2023	**174**	**101,847**	**107,704**	**(114)**	**(14,883)**	**194,728**

The notes on pages 18 to 36 form part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 May 2023

	2023	2022
	£000	£000
Cash flows from operating activities		
Operating (loss)/ profit for the year	**(4,457)**	10,049
Adjustments for:		
Depreciation, amortisation and impairment	**121,824**	114,274
Profit on disposal of player registrations	**(33,767)**	(28,124)
Loss on sale of tangible fixed assets	**136**	164
Decrease/ (increase) in trade and other debtors	**19,652**	(31,481)
(Increase)/ decrease in stocks	**(5,390)**	6,233
(Decrease)/ increase in trade and other creditors	**(9,122)**	41,559
Cash flows from operations	**88,876**	112,674
Interest received	**72**	244
Interest paid	**(4,209)**	(2,472)
Net cash from operating activities	**84,739**	110,446
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	**121**	-
Acquisition of tangible fixed assets	**(49,925)**	(23,409)
Proceeds from sale of player registrations	**39,072**	32,170
Acquisition of player registrations	**(122,154)**	(97,201)
Net cash used in investing activities	**(132,886)**	(88,440)
Cash flows from financing activities		
Cash inflow/ (outflow) from change in borrowings – bank loans	**38,000**	(40,000)
Net cash provided by (used in) financing activities	**38,000**	(40,000)
Net decrease in cash and cash equivalents	**(10,147)**	(17,994)
Cash and cash equivalents at 1 June	**13,541**	31,535
Cash and cash equivalents at 31 May	**3,394**	13,541

Consolidated Analysis of Net Debt

	At 1 June 2022	**Cash Flows**	**At 31 May 2023**
	£000	**£000**	**£000**
Cash at bank and in hand	13,541	(10,147)	**3,394**
Secured bank loans after deferred loan costs	(87,133)	(38,274)	**(125,407)**
Intercompany loans	(71,400)	-	**(71,400)**
	(144,992)	(48,421)	**(193,413)**

The notes on pages 18 to 36 form part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The Liverpool Football Club and Athletic Grounds Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in January 2022. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Statement of Cash Flows with related notes is included; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the management, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the long-term player debtors and player creditors are measured at the present value of future receipts and payments discounted at a market rate of interest for a similar debt instrument. In addition, derivative financial instruments are stated at their fair value.

1.2 Going concern

In determining whether the Group's annual financial statements can be prepared on a going concern basis and whether there is a material uncertainty with respect to going concern, the Directors have considered the Group's business activities, together with the factors likely to affect its future development, performance and position for a period to 30 September 2024. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities. The Group made a loss for the period of £6.9 million (2022: £2.4 million profit) and has net current liabilities of £180.9 million (2022: £159.0 million) as at 31 May 2023.

The key factors considered by the directors in making the assessment of going concern were as follows:

• The implications of changes to the economic environment on the Group's revenues and profits, assuming the club can continue to compete in all competitions without interruption from further pandemic conditions or other disruptive global or domestic events.

• A prudent assumption in respect of the expected success of the club in the various competitions that it expects to compete in during the coming season, including the Premier League and the UEFA Europa League.

• Cash flows in respect of transfers of players based on the underlying contractual terms.

• The revolving loan facility expanded to £300.0 million on 7 June 2023 with expiry of 31 July 2025. The facility is available for general corporate purposes including working capital and letters of credit, and compliance with the covenants thereon.

• Confirmation the Group's Parent does not intend to call the parent loan undertaking for payment in the next 12 months unless the Group has sufficient resources to enable repayment amounting to £71.4 million.

Notes *(continued)*

Accounting policies *(continued)*

1.2 Going concern (continued)

Conclusion

Whilst the Directors' base case scenario indicates sufficient funds are available without additional funding within the going concern assessment period, some cases of downside on this model would result in additional funding being required within the forecast period for the Group to meet its liabilities as they fall due. However, the Directors are satisfied that the Group has several additional funding options which would individually cover a shortfall in the forecast period, and therefore the Directors are satisfied that there is not a material uncertainty regarding going concern. The additional funding options which have been considered in this assessment include:

• The Group could obtain additional funding from its ultimate parent company.

• The Group could factor future receivables to generate additional short-term liquidity, including existing trade debtor balances from deferred player registration sale proceeds or future media revenues.

• The Group could generate additional cash from the sale of assets including player registrations as well as a further assessment of associated costs.

Based on the additional funding options available to the Group as described above, any of which would provide sufficient liquidity in the downside scenario, the Directors are confident that there is not a material uncertainty regarding going concern and that it remains appropriate to adopt the going concern basis for the preparation of the financial statements. In preparing the financial statements, the Directors have not included any adjustments that would be required to be made if they were prepared on a basis other than going concern.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 May 2023. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated Profit and Loss Account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own Profit and Loss Account.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

1.5 Turnover

Turnover represents income receivable from the Group's principal activities and is exclusive of value added tax and transfer fees. Match day receipts are recognised over the course of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. Income arising from the fixed element of broadcasting revenue is recognised over the duration of the playing season. Facility fees (non-fixed element of broadcasting revenue) which relate to live coverage or highlights of games are recognised as games are played. Revenue arising from participation in European competitions is recognised as matches are played and is classified as match day income and media income as appropriate. Turnover relating to retail and mail order consists of the amounts receivable for goods supplied by the Group to customers, excluding value added tax. Mail order sales are recognised on delivery to the customer.

Notes *(continued)*

Accounting policies *(continued)*

1.6 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the Profit and Loss Account over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable on loan and overdraft, notional interest expense on deferred payments for player registrations, and net foreign exchange losses that are recognised in the Profit and Loss Account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest receivable and similar income include interest receivable on cash held at bank, notional interest on deferred receipts for sale of players' registrations and net foreign exchange gains.

Interest income and interest payable are recognised in the Profit and Loss Account as they accrue, using the effective interest method.

1.7 Signing on and loyalty fees

Signing on fees are charged evenly, as part of the administrative expenses, to the Profit and Loss Account over the period of the player's contract. Where a player's registration is transferred any signing on fees payable in respect of future period are charged against the profit/loss on disposal of players' registrations in the period in which the disposal is recognised. Loyalty fees payable are recorded in the Profit and Loss Account in the period to which they relate.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

Accounting policies *(continued)*

1.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is provided on the cost of fixed assets appropriate to their estimated useful lives as follows:

Freehold/long leasehold buildings	2%	Stands, fixtures, fittings and equipment	2% - 33%
Youth Academy	2%	Motor vehicles	20%
Training Ground	2%	Computers	25%

Land is not depreciated. All other classes of tangible fixed assets are depreciated on a straight-line basis at the rates stated above, except for fixtures, fittings and equipment which are depreciated using the reducing balance method. The historical cost of the existing stadium is included under the heading "stands, fixtures, fittings and equipment".

Assets under construction are not depreciated until they are available for use, at which point they are transferred into the relevant category of fixed assets.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Profit and Loss Account whenever the carrying amount of an asset exceeds its recoverable amount.

1.10 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill is amortised over its estimated useful life of 20 years and is reviewed annually for impairment. The useful life has been arrived at by considering the longevity of the club, the nature and longevity of the marketplace and long-term financial forecasts. The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Other intangible assets – player registrations

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised in equal instalments over the period of players' individual contracts. Where a player's contract is extended beyond its initial period, amortisation is calculated over the period of the extended contract from the date on which it is signed.

The profit or loss on disposal of a player's registration is calculated as the difference between the transfer fee recovered/receivable less the net book value at the date of sale and less any direct costs of the transfer. Future receipts of transfer fees based on the transferred player or the buying club meeting certain performance criteria in the future are recognised when the criteria are met. Future payments of transfer fees based on performance criteria are recognised when the criteria are met.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

Notes *(continued)*

Accounting policies *(continued)*

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

1.12 Classification of financial instruments issued by the Group

The Group uses foreign exchange contracts to manage foreign currency risk impacting assets and liabilities due at a future date. These derivative financial instruments are recognised at fair value.

The Group accounts for certain foreign currency contracts as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. Any ineffective portion of the hedge is recognised in the Profit and Loss Account.

The Group also uses foreign exchange contracts to mitigate foreign currency risks that are not designated as cash flow hedges. The gain or loss on re-measurement to fair value of these contracts is recognised in the Profit and Loss Account.

1.13 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors/creditors are recognised initially at transaction price less/plus attributable transaction costs. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at transaction price, unless the arrangement constitutes a financial transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Consolidated Statement of Cash Flows.

1.14 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Profit or Loss Account except as hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Profit or Loss Account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Notes *(continued)*

Accounting policies *(continued)*

1.14 Other financial instruments (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Profit or Loss Account.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in Other Comprehensive Income is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in the Profit or Loss Account the hedging gain or loss is reclassified to the Profit and Loss Account.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the Profit and Loss Account immediately.

1.15 Pensions

The Group operates its own defined contribution scheme which is managed by Legal and General Group Plc. Contributions are also paid to individuals' private pension schemes. Pension contributions are charged to the Profit and Loss Account as they become payable.

The Group continues to make contributions in respect of its share of the deficit of the defined benefit section of The Football League Limited Pension and Life Assurance Scheme (the 'Scheme'). Accrual of benefits on a final salary basis was suspended with effect from 31 August 1999, when an actuarial review showed a substantial deficit. As one of a number of participating employers the Group is advised only of its share of the Scheme's deficit and recognises a liability in respect of this. As a result, the contributions paid to the scheme reduce the provision. The Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis and therefore, accounts for the scheme as if it were a defined contribution scheme.

1.16 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Notes *(continued)*

2 Turnover

	2023	2022
	£000	£000
By activity:		
Media	**241,553**	260,841
Commercial	**272,523**	246,663
Match day	**79,760**	86,767
	593,836	594,271

	2023	2022
By geographical market:		
United Kingdom	**564,544**	576,922
EU	**8,090**	5,198
Rest of the World	**21,202**	12,151
	593,836	594,271

3 Administrative expenses

Included in administrative expenses are the following:

	2023	2022
	£000	£000
Amortisation of players' registrations	**107,546**	102,714
Impairment loss on player registrations	**2,141**	198
Depreciation of tangible fixed assets	**12,137**	11,362
Operating lease rentals	**2,917**	2,817
Auditors' remuneration – audit fees	**112**	75
Auditors' remuneration – tax advisory fees	**9**	59
Loss on disposal of tangible fixed assets	**416**	164

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2023	2022
Administration, commercial and other	**701**	713
Players, managers and coaches	**238**	225
Ground and maintenance staff	**69**	67
	1,008	1,005

Full-time employees are those employed for more than 20 hours per week. In addition, the Group engaged on match days and non-match days an average of 2,062 part-time temporary staff (*2022: 1,930)*.

	2023	2022
	£000	£000
Aggregate amounts for both staff and directors charged in respect of:		
Wages and salaries	**329,980**	323,527
Social security costs	**39,819**	39,789
Pension costs	**3,082**	2,776
	372,881	366,092

5 Directors' remuneration

	2023	2022
	£000	£000
Directors' remuneration	**4,184**	3,358
Group contributions to money purchase pension plans	**9**	7
	4,193	3,365

	2023	2022
	£000	£000
Highest paid director's remuneration:		
Remuneration	**2,244**	2,063
	2,244	2,063

	Number of directors	
	2023	2022
Retirement benefits are accruing to the following number of directors under:		
Money purchase pension plans	**1**	1

Notes *(continued)*

6 Interest receivable and similar income

	2023	2022
	£000	£000
Notional interest on deferred receipts for sale of players' registrations	**1,542**	649
Bank interest	**72**	244
Total interest receivable and similar income	**1,614**	893

7 Interest payable and similar charges

	2023	2022
	£000	£000
Notional interest expense on deferred payments for players' registrations	**1,789**	680
On loan and overdrafts	**3,918**	2,424
Other finance costs	**455**	369
Total interest payable and similar charges	**6,162**	3,473

8 Taxation

Total tax (credit)/ expense recognised in the Profit and Loss Account and Other Comprehensive Income

	2023	2022
	£000	£000
Current tax		
Current tax on income/loss for the period	**57**	1,751
Adjustments in respect of prior periods	**(642)**	(70)
Total current tax	**(585)**	1,681
Deferred tax (see note 16)		
Origination and reversal of timing differences	**(1,033)**	1,337
Adjustments in respect of prior periods	**(199)**	264
Difference between current and deferred tax rates	**(258)**	1,751
Total deferred tax	**(1,490)**	3,352
Total tax	**(2,075)**	5,033

Notes *(continued)*

8 Taxation *(continued)*

Analysis of current tax recognised in the Profit and Loss Account

	2023 **£000**	2022 £000
UK corporation tax	**(660)**	1,575
Double taxation relief	**(30)**	(46)
Foreign tax	**105**	152
Total current tax recognised in the Profit and Loss Account	**(585)**	1,681

Reconciliation of effective tax rate

	2023 **£000**	2022 £000
(Loss)/ profit for the year	**(6,930)**	2,436
Total tax (credit) / expense	**(2,075)**	5,033
(Loss)/ profit excluding taxation	**(9,005)**	7,469
Tax using the UK corporation tax rate of 20.0% *(2022: 19.0%)*	**(1,801)**	1,419
Non-deductible expenses	**814**	1,616
Tax losses for which no deferred tax asset is recognised	**-**	(59)
Effect of tax rates on foreign jurisdictions	**8**	3
Difference between current and deferred tax rates	**(258)**	1,751
Group relief	**(4)**	(3)
Foreign income exempt from UK tax	**7**	111
Under/ (over) provided in prior years	**(841)**	195
Total tax (credit)/expense included in Profit and Loss Account	**(2,075)**	5,033

An increase in the UK rate of corporation tax was substantively enacted in May 2021. The rate increased from 19% to 25% from 1 April 2023. As this change was enacted at the balance sheet date, deferred tax has been measured at 25% in these financial statements.

Notes *(continued)*

9 Intangible assets and goodwill

Group	Goodwill £000	Players' registrations £000	Total £000
Cost			
Balance at 1 June 2022	13,994	729,318	743,312
Additions	-	133,483	133,483
Disposals	-	(75,660)	(75,660)
Balance at 31 May 2023	**13,994**	**787,141**	**801,135**
Amortisation and impairment			
Balance at 1 June 2022	13,994	453,693	467,687
Amortisation for the year	-	107,546	107,546
Impairment	-	2,141	2,141
Disposals	-	(65,336)	(65,336)
Balance at 31 May 2023	**13,994**	**498,044**	**512,038**
Net book value			
At 1 June 2022	-	275,625	275,625
At 31 May 2023	**-**	**289,097**	**289,097**

Included within intangible assets and goodwill is £19,331 (2022: £5,829) relating to subsidiary undertakings of the Company**.** The Directors periodically review the carrying value of player registrations for impairment. Where events or changes in circumstances indicate the carrying value of the asset may not be fully recoverable, and it exceeds its recoverable amount, the resulting impairment loss is recognised in the Profit and Loss Account.

10 Tangible fixed assets

Group	Freehold Land and buildings £000	Long leasehold £000	Stands, fixtures, fittings and equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost						
Balance at 1 June 2022	26,465	3	283,549	310	27,481	337,808
Additions	-	-	4,377	14	49,316	53,707
Disposals	-	-	(8,372)	(88)	-	(8,460)
Transfers	-	-	873	-	(873)	-
Balance at 31 May 2023	**26,465**	**3**	**280,427**	**236**	**75,924**	**383,055**
Depreciation and impairment						
Balance at 1 June 2022	14,956	-	89,339	241	-	104,536
Depreciation charge for the year	272	-	11,834	31	-	12,137
Disposals	-	-	(8,117)	(88)	-	(8,205)
Balance at 31 May 2023	**15,228**	**-**	**93,056**	**184**	**-**	**108,468**
Net book value						
At 1 June 2022	11,509	3	194,210	69	27,481	233,272
At 31 May 2023	**11,237**	**3**	**187,371**	**52**	**75,924**	**274,587**

Notes *(continued)*

10 Tangible fixed assets *(continued)*

Included within tangible fixed assets is £335,056 (*2022: £343,935*) relating to subsidiary undertakings of the Company**.**

11 Fixed asset investments

	Shares in group undertakings £000
Cost and net book value	
At 1 June 2022 and 31 May 2023	15,890

The investment carrying value of £15.9 million in the Company represents the cost of acquiring the entire share capital of Liverpoolfc.TV Limited. This company is now dormant following the transfer of the trade and assets to the Company in July 2009. The net assets of Liverpoolfc.TV Limited as at 31 May 2023 were £20.0 million.

(a) Investments in wholly owned Group undertakings comprise:

All subsidiary undertakings of the Company are as follows:

Name of subsidiaries	**Issued share capital (£)**
Liverpool Women’s FC Limited *	100
LFC International Limited *	1
LFC Properties Limited *	100
LFC Financial Services Limited ϒ	1,000
LFC Leisure Limited ϒ	100
LFC Limited ϒ	100
Anfield Arena Limited ϒ	1
LFC Services Limited ϒ	1,000
LFC Television Limited ϒ	100
LFC Travel Limited ϒ	1,000
LFC TV Limited ϒ	100
Liverpool FC Limited ϒ	1,000
Liverpoolfc.TV Limited ϒ	1,000
Liverpool Football Club Limited ϒ	1,000
Liverpool Limited ϒ	1,000

* Operating company

ϒ Dormant company

For all subsidiary undertakings in the above table, the Company owns directly 100% of the ordinary share capital and have a registered office address of Anfield Road, Liverpool, L4 OTH.

(b) Joint venture

The Group owns 50% of the share capital in Stanley Park Company Limited. The remaining 50% is held by Liverpool City Council. Stanley Park Company Limited did not trade during the period. Stanley Park Company Limited has a year end of 31 March and a registered office address of Anfield Road, Liverpool, L4 OTH.

Notes *(continued)*

12 Debtors

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Amounts falling due within one year				
Trade debtors	**80,027**	96,098	**79,910**	96,085
Amounts owed by Group undertakings	**8,789**	10,933	**13,497**	15,057
Other debtors	**3,899**	1,955	**3,777**	1,872
Prepayments and accrued income	**11,022**	11,920	**10,955**	11,862
	103,737	120,906	**108,139**	124,876
Amounts falling due after one year				
Trade debtors	**30,789**	19,822	**30,789**	19,822
	134,526	**140,728**	**138,928**	144,698

13 Creditors: amounts falling due within one year

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Trade creditors	**100,570**	74,065	**100,554**	74,054
Amounts owed to parent	**71,400**	71,400	**71,400**	71,400
Taxation and social security	**42,079**	32,978	**41,970**	32,841
Corporation tax	**310**	1,553	**289**	1,539
Other creditors	**5,498**	13,185	**5,328**	13,056
Accruals	**53,688**	75,775	**53,435**	75,706
Deferred income	**64,594**	58,232	**64,594**	58,431
	338,139	327,188	**337,570**	327,027

14 Creditors: amounts falling due after more than one year

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Bank loans and overdrafts (see note 15)	**125,407**	87,133	**125,407**	87,133
Trade creditors	**37,460**	37,664	**37,460**	37,664
Amounts owed to group undertakings	**-**	-	**20,001**	20,001
Other creditors	**4,620**	1,283	**4,620**	1,283
	167,487	126,080	**187,488**	146,081

Notes *(continued)*

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing and non-interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Creditors falling due within one year				
Intercompany loan	**71,400**	71,400	**71,400**	71,400
	71,400	71,400 +	**71,400**	71,400
Creditors falling due more than one year				
Secured bank loans	**126,000**	88,000	**126,000**	88,000
Less: deferred loan costs	**(593)**	(867)	**(593)**	(867)
	125,407	87,133	**125,407**	87,133

Terms and debt repayment schedule

Group and Company	**Nominal interest rate**	**Year of maturity**	**Repayment schedule**	**2023 £000**	2022 £000
Secured bank loan	5.84%	2025	Revolver	**126,000**	-
Secured bank loan	2.10%	2025	Revolver	-	88,000
Intercompany loan – stadium loan	Interest free	N/A	On demand	**71,400**	71,400
				197,400	159,400

At the year end the Club held a £200.0 million revolving credit facility which has an expiry of 31 July 2025 and is available for general corporate purposes including working capital and letters of credit. On the 7 June 2023 the additional £100m Accordion Facility was activated and increased the total facility to £300.0 million.

The £71.4 million (*2022: £71.4 million*) due to group undertaking at 31 May 2023 represented an intercompany creditor with UKSV I, LLC. This intercompany loan has been provided to fund the stadium expansion work and is interest-free.

Notes *(continued)*

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are summarised as follows:

Group	**Assets**		**Liabilities**		**Net**	
	2023	2022	**2023**	2022	**2023**	2022
	£000	£000	**£000**	£000	**£000**	£000
Accelerated capital allowances	**-**	-	**9,854**	8,078	**9,854**	8,078
Intangible asset timing differences	**-**	-	**23,016**	26,083	**23,016**	26,083
Employee benefits	**(1,692)**	(1,275)	**-**	-	**(1,692)**	(1,275)
Unused tax losses and other	**(10,483)**	(10,699)	**-**	-	**(10,483)**	(10,699)
Total	**(12,175)**	(11,974)	**32,870**	34,161	**20,695**	22,187

There is an unrecognised deferred tax asset of £1.0 million (*2022 : £1.0 million*) in respect of tax losses carried forward.

The Group has total gross tax losses of £45.4 million (*2022: £46.3 million*). A deferred tax asset has been recognised on £41.6 million of these losses (*2022: £42.5 million*).

The Group expects deferred tax assets of nil (2022: £3.5 million) and deferred tax liabilities of £4.5 million (2022: £6.8 million) to reverse in 2024 as tax losses are utilised and rolled-over intangible gains unwind.

17 Employee benefits

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £3.1 million *(2022: £2.8 million).*

18 Capital and reserves

Share capital

Group and Company	**Ordinary shares 2023**	Ordinary shares 2022
On issue at 1 June	**34,825**	34,825
On issue at 31 May – fully paid	**34,825**	34,825

	2023	2022
	£000	£000
Allotted, called up and fully paid		
34,825 ordinary shares of £5 each	**174**	174
Shares classified in shareholders' funds	**174**	174

Notes *(continued)*

19 Financial instruments

19 (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

Group Financial Assets	**Financial Assets**	**Non-financial Assets**	**Total Assets**	Financial Assets	Non-financial Assets	Total Assets
	2023	**2023**	**2023**	2022	2022	2022
	£000	**£000**	**£000**	£000	£000	£000
At amortised cost:						
Cash	**3,394**	**-**	**3,394**	13,541	-	13,541
Trade debtors (excluding player receivables)	**44,232**	**-**	**44,232**	60,832	-	60,832
Player receivables	**66,584**	**-**	**66,584**	55,088	-	55,088
Other receivables	**12,688**	**11,022**	**23,710**	12,888	11,920	24,808
Total Assets	**126,898**	**11,022**	**137,920**	142,349	11,920	154,269

Group Financial Liabilities	**Financial Liabilities**	**Non-financial Liabilities**	**Total Liabilities**	Financial Liabilities	Non-financial Liabilities	Total Liabilities
	2023	**2023**	**2023**	2022	2022	2022
	£000	**£000**	**£000**	£000	£000	£000
At amortised cost:						
Trade creditors (excluding player creditors)	**25,636**	**-**	**25,636**	18,058	-	18,058
Player creditors	**112,394**	**-**	**112,394**	93,671	-	93,671
Other payables	**177,595**	**64,953**	**242,548**	196,174	58,232	254,406
Bank loans and overdrafts	**125,407**	**-**	**125,407**	87,133	-	87,133
Total Liabilities	**441,032**	**64,953**	**505,985**	395,036	58,232	453,268

Notes *(continued)*

19 Financial instruments *(continued)*

19 (b) Financial risk management

The Group's activities expose it to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risk and liquidity risk. The Group uses derivative financial instruments to hedge certain exposures and has designated certain derivatives as hedges of cash flows (cash flow hedge).

The policy for each of the above risks is described in more detail below:

Currency risk

Where currencies other than sterling are used, the Group looks at natural hedges in the business, and enters hedging arrangements where appropriate. The fair value of foreign currency contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Interest rate risk

The Group has no significant interest-bearing assets other than cash on deposit which attracts interest at a small margin above the UK base rates.

The Group's interest rate risk arises from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. The Group's borrowings are denominated in pounds sterling.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk is managed on a Group basis and arises from cash and cash equivalents and trade and other receivables (excluding receivables from parent undertakings and prepayments).

The maximum exposure risk relates to football debtors, but this is mitigated by the governing bodies of international and national football associations.

Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum credit risk exposure of the Group comprises the amounts presented in the balance sheet which are stated net of provisions for doubtful debts.

Liquidity risk

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of its secured loan facility. The annual cash flow is cyclical in nature with a significant portion of cash inflows being received prior to the start of the playing season. Responsibility for liquidity risk management rests with management. The management use predictive financial models to constantly monitor and manage current and future liquidity.

19 (c) Hedge accounting

Where possible and depending on the payment profile of transfer fees payable and receivable the Group will seek to hedge future payments and receipts at the point it becomes reasonably certain that the payments will be made, or the income will be received.

Notes *(continued)*

20 Operating leases

Non-cancellable retail and office operating lease rentals are payable as follows:

	2023	2022
	£000	£000
Less than one year	**2,185**	2,249
Between one and five years	**4,940**	6,674
More than five years	**566**	1,132
	7,691	10,055

During the year £2.9 million was recognised as an expense in the Profit and Loss Account in respect of operating leases *(2022: £2.8 million).*

21 Commitments

Capital commitments

Contractual commitments to purchase tangible fixed assets at the year-end were £11.9 million *(2022: £49.0 million)*.

22 Contingencies

Under the terms of certain contracts for the acquisition of players' registrations, future transfer fees may be payable of £55.9 million *(2022: £33.7 million*). In accordance with the Group's accounting policy for transfer fees any additional fees which may be payable under these agreements, will be accounted for in the year that the criteria is met. Since the year end £1.2 million have crystallised, amounts in relation to existing or new registrations will be capitalised and those relating to disposed registrations will be recognised in the profit and loss account.

Under the terms of certain contracts for the sale of players' registrations, future amounts may be received by the Club. As at 31 May 2023 the maximum amount that could be received is £12.7 million *(2022: £3.5 million).* Since the period end £0.8 million have crystallised and will be recognised in the profit and loss account.

23 Related parties

Transactions with related parties are limited to those companies that are wholly owned within the wider group and as such are exempt from disclosure.

Transactions with key management personnel

Total compensation of key management personnel across the Group (including the directors) in the year amounted to £9.7 million (*2022: £12.3 million*).

24 Ultimate parent company and parent company of larger group

The ultimate parent Company and controlling party is Fenway Sports Group, LLC, a company incorporated in the United States of America.

The largest group in which the results of the Company are consolidated is that headed by Fenway Sports Group, LLC.

The smallest group in which the results of the Company are consolidated is that headed by UKSV Holdings Company Limited incorporated in the United Kingdom. The consolidated financial statements of UKSV Holdings Company Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Notes *(continued)*

25 Accounting estimates and judgements

Valuation of players' registrations

The recoverability of the squad value is considered in accordance with the accounting policy as described in note 1.10. A key judgement relates to which players are included within the first team squad for cash-generating unit purposes, in addition to estimating the market value of individual player registrations. This is subject to fluctuations in the wider transfer market. Management make their assessment based on internal and external sources, such as recent comparable transfers or offers received for those player registrations.

26 Subsequent events

Player Trading

Since the end of the financial period, the Club has contracted for the purchase and sale of various players. The net amount payable resulting from this activity is £156.2 million. This activity will be accounted for in the year ending 31 May 2024. The cumulative effect on the Profit and Loss Account since the period end in relation to the profit on sales of players is a £19.3 million profit.

Interest bearing loans and borrowings

At the year end the Club held a £200.0 million revolving credit facility which has an expiry of 31 July 2025 and is available for general corporate purposes including working capital and letters of credit. On the 7 June 2023 the additional £100m Accordion Facility was activated and increased the total facility to £300.0 million.

Anfield Road Stand

In August 2023, the Club were advised that the main contractor for the Anfield Road expansion project, Buckingham Group Contracting Limited, had filed a notice of intention to appoint administrators. Although this resulted in a temporary suspension of construction activity on the site, a safety certificate had been issued for the operation of the lower tier of the Anfield Road stand from the start of the 2023/24 season, based on works completed to that point and the successful execution of test events.

In September 2023, the Club took full control of the construction site and appointed Rayner Rowen Construction as the construction manager, whilst also engaging with several other contractors, and successfully retaining the majority of contractors, who had already worked on the site, to resume the final stage of works on the project.

It is anticipated that the additional capacity at Anfield will be incrementally phased during the 2023/24 season, and although an estimate of its financial effect cannot be made at this stage, the Club is committed to ensuring the project is delivered as quickly as possible to allow more fans into Anfield, with the safety of both the construction site and completed build the Club's priority.