Company Registration No. 02536231 (England and Wales)

CHELSEA FC HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

CHELSEA FC HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D Barnard T Boehly B Charone B Eghbali J Feliciano D Finkelstein J Goldstein C Jurasek (appointed 25/05/2023) J Pade M Walter H Wyss
Secretary	J Bonington
Company number	02536231
Registered office	Stamford Bridge Fulham Road London SW6 1HS
Auditor	KPMG LLP 15 Canada Square London E14 5GL

CHELSEA FC HOLDINGS LIMITED

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CHELSEA FC HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the Annual Report, comprising the Strategic Report and Directors' Report, and audited financial statements of Chelsea FC Holdings Limited ("the company") and its subsidiary undertakings ("the Group" or "the Club") for the year ended 30 June 2023.

Results for the year

The net loss for the year, after taxation, was £89.8m *(2022: net loss of £121.3m).*

Fair review of the business

Profit and Loss

The loss for the year before taxation was £90.1m compared to a loss of £121.4m for the prior year. Due to increased matchday and commercial revenue, the Club grew overall revenue to £512.5m, made profits on disposal of player registrations and fixed assets of £142.2m and had increases in other income. This helped offset the increased operational costs seen in the year.

Following the acquisition of the Club on 30 May 2022 by a consortium led by Todd Boehly and affiliates of Clearlake Capital Group L.P. (together with its affiliates, "Clearlake"), 2022/23 was the first full season completed under the new ownership.

This year saw an overall increase in turnover from £481.3m to £512.5m driven by increased matchday and commercial revenue, due in part to the Club being able to operate without the Government restrictions placed on the Club in the prior year and increased revenues as a result of the women's team winning the Women's Super League, the Women's FA Cup and reaching the final of the Women's League Cup. These increases were offset by decreased broadcasting revenue, in relation to the men's team 12th place finish in the Premier League and 3rd round exits in both the FA and League Cups.

Matchday revenue increased from £69.2m to £76.5m compared to the prior year. Matches in the 2022/23 season were sold without restriction, resulting in all matches selling out and an increased average attendance to 40,002 contributing to this increase.

Overall, broadcasting revenue decreased by £9.1m to £225.9m compared to the prior year. The Club generated broadly consistent revenues from UEFA as the men's team reached the quarter finals of the UEFA Champions League for the second year running and the women's team reached the semi-final of the UEFA Women's Champions League in the year. However, the men's team 12th place finish in the Premier League resulted in a lower domestic broadcasting share for the year.

The increase in commercial revenue of £33.0m to £210.1m was driven by strong sales of non-match day activities including stadium tours which saw sales restricted for part of the prior year due to Government restrictions. In addition, the Club benefited from a net increase in sponsorship revenue from new and existing partner renewals.

Overall, operating expenses of £761.1m increased by £132.1m compared with £629.0m in the previous year (excluding impairment costs and other expenses referred to in Note 5). This was principally because of increased player amortisation (£203.2m) and an overall increased wage roll (£404.0m).

During the year the Group commenced a review and restructure of its real estate portfolio resulting in the sale of the hotel buildings owned by the Group to Blueco 22 Properties Limited, a fellow subsidiary of the intermediate parent company, Blueco 22 Limited. This resulted in a profit on disposal of fixed assets of £76.5m to the Group.

In addition, the football club made a net profit on player trading of £62.9m in the year (2022: £123.2m) principally due to the sales of Timo Werner to RB Leipzig, Emerson Palmieri to West Ham, Billy Gilmour to Brighton, Jorginho to Arsenal, Kalidou Koulibaly to Al-Hilal, Mateo Kovacic to Manchester City, Kai Havertz to Arsenal and Ruben Loftus-Cheek to AC Milan. In addition, the Club realised contingent fees in relation to a number of previous transfers and incurred costs relating to the changes made to the men's first team management in the year.

Fair review of business (continued)

Balance Sheet

Intangible assets have increased to £709.8m from £306.9m. This movement is a result of £747.8m of player acquisitions including Andrey dos Santos from Vasco da Gama, Benoît Badiashile from Monaco, Carney Chukwuemeka from Aston Villa, Cesare Casadei from Inter Milan, Noni Madueke from PSV Eindhoven, David Fofana from Molde, Enzo Fernandez from Benfica, Kalidou Koulibaly from Napoli, Malo Gusto from Lyon, Marc Cucurella from Brighton, Mykhailo Mudryk from Shakhtar Donetsk, Raheem Sterling from Manchester City and Wesley Fofana from Leicester City. This was offset by total amortisation of £205.0m and the disposal of player registrations with a combined net book value of £139.9m as noted in the profit and loss section above.

Tangible fixed assets are £156.3m at the year end with additions of £20.9m in the year offset by £12.7m of depreciation and the disposal of tangible fixed assets with a net book value of £22.0m.

Net current liabilities of £256.8m have increased from the net asset position of £41.1m in the prior year. This is because of a net increase in short term creditors of £269.7m, principally relating to increased trade creditors and amounts owed to the parent undertaking. In addition, debtors have decreased by £62.0m with decreased amounts owed by other group companies being offset by increases in trade debtors. There is a net increase in cash and stocks of £33.7m.

Creditors falling due after more than one year of £260.2m have increased by £181.2m in the year from £78.9m. This is due to an increase in the amounts owed in relation to player trading.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's long-term performance. These risks and uncertainties are monitored by the Board on a regular basis. The Directors' have specifically considered the additional risk to the Group of the ongoing level of high inflation being seen in the UK including the impact of increased energy prices and the impact of the weakened pound compared to the US dollar. Forecasted increases in operating costs because of these factors have been included in the Group's budget to assess potential additional funding requirements as described further in Note 1.3. The Directors' have begun monitoring the potential impact of climate change on the Group's operations, which isn't currently considered material.

Income

The Group derives its income from football activities and related business activities of which there are three principal sources: matchday revenue, broadcasting and commercial income.

Expenditure

The Group's primary outgoings relate to matchday operations; the continued development of the football club's brand; employee remuneration; support services to facilitate elite sporting performance; and the development of the playing squad. The last of these is achieved through a combination of activity in the transfer market and investment in the Club's academy and youth programmes to nurture and develop young players for the future.

Principal risks and uncertainties (continued)

Regulatory Environment

The football club is regulated by the rules of The FA, the Premier League, UEFA and FIFA. These regulations have a direct impact on the football club as they cover areas such as the division of centrally negotiated broadcasting and media agreements and the operation of the transfer market.

The football club continues to balance success on the field together with the financial imperatives of complying with UEFA and Premier League financial regulations. The Club has complied with these financial regulations since their inception in 2012 and expects to do so for the foreseeable future.

Funding

Funding is provided by the intermediate parent company, Blueco 22 Limited, which is controlled by a consortium led by Todd Boehly and Clearlake.

The Group reviews and updates its forecasts on a regular basis and keeps the parent company and ownership aware of its financial commitments going forward.

Key performance indicators

The key performance indicators for 2022/23 of both a financial and non-financial nature were as follows:

Non-financial

- Premier League – 12th place *(2022: 3rd place)*
- FA Cup – 3rd round *(2022: Runners up)*
- League Cup – 3rd round *(2022: Runners up)*
- Champions League – Quarter Finals *(2022: Quarter Finals)*
- Average league attendance of 40,002 *(2022: 37,698)*

Financial (reviewed by the Board on a monthly basis)

- Revenue
- Payroll costs
- Operating result before player trading and amortisation
- Gains/losses on player trading
- Player acquisition costs
- Compliance with UEFA Financial Fair Play Regulations
- Compliance with Premier League enhanced financial regulations

Other information and explanations

Going concern basis

The company is reliant on its intermediate parent undertaking, Blueco 22 Limited, for its continued financial support. The company has received confirmation that sufficient funds will be provided to finance the business for the foreseeable future and at least 12 months from the date of signing of these financial statements. The Directors have therefore adopted the going concern basis in preparing these financial statements. See Note 1.3 of the financial statements for further details.

Fixed assets

The movements in fixed assets during the year are as shown in notes 13 to 16 to the financial statements. The intangible fixed assets include the unamortised portion of the cost of players' registrations and internally generated software.

Officers of Chelsea Football Club Limited and Chelsea Football Club Women Limited have valued the playing staff and have deemed that an impairment of £Nil *(2022: £76.7m)* is necessary when comparing the valuation to a net book value of £704.9m *(2022: £302.9m)* as disclosed in Note 13 to the financial statements.

Directors' duties under section 172

The purpose of this statement is to outline how, during the year, the directors of the company had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duties under section 172.

Under section 172(1) a director of a company must act in the way that he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly towards all members of the company.

In order to fulfil their duties under section 172, the directors need to ensure that the company not only acts in accordance with its legal duties but also has regard for, all its stakeholders when taking decisions. Understanding the company's stakeholders and how they and their interests will impact on the strategy and success of the company over the long term is a key factor in the decisions that the Board make.

Fans

Every decision made at Chelsea FC is taken with the direct or indirect aim of promoting and improving on pitch performance and, in turn, to provide enjoyment and entertainment to our fans. The Club's ownership group is firmly committed to building on the Club's remarkable history of success and making fans proud.

The Club continues to offer a range of ways for supporters to find out about club activity, both domestic fanbase and those living overseas. Fans are informed about Club activity through its website, official app, social media, matchday programmes and more. Across all of these channels, we provide access to the players and coaches from our men's, women's and academy teams as well as training and match highlights, all within the safety requirements of the Government, the Premier League and The Football Association.

The Club continues its structured engagement strategy, with the introduction of a Fan Advisory Board (FAB) and the recruitment of a Head of Supporter Relations demonstrating a commitment to proactive fan engagement.

This is in addition to the three supporter advisors who currently attend each of the company's board meetings to ensure supporter sentiment is considered as part of the Club's decision-making process. The FAB is made up of seven representatives who will be engaged on strategic long-term issues which impact supporters.

The Club continues to meet with a cross section of supporters that reflect the diverse nature of Chelsea's support via the Fan Forum and Access Forum. The Forums consist of a body of elected fans and senior members of the Club management and meet at least three times per season to discuss and debate Club matters with the aim of maintaining a positive and constructive dialogue between the Club and fans, developing a better understanding of matchday and operational issues that affect supporters and providing an opportunity for the Club to discuss new ideas.

In engaging with fan representatives in this way we aim to ensure that supporters - whether part of a structured group or not - feel they can make their voice heard. The Club also regularly engages with unofficial supporters groups and supporters clubs around the world, alongside local residents who live around Stamford Bridge.

Chelsea FC has expressed support for the Premier League's Fan Engagement Standard and will continue to work closely with the Premier League to ensure the standard is mainstreamed throughout the Club.

Partners

The commercial partners of the Club are fundamental to our success. The Club works hard to build long lasting relationships with like-minded brands that can help bring value to our club, our fans and our employees, moving beyond traditional partnering rights.

It is also vitally important to the Club that partners understand our commitment to innovation, success and community support and engagement. For example, we look for partners that support fully the development and promotion of women's football in the UK and around the world, or that want to support our vast range of community programmes. We are proud of the work our partners do alongside Chelsea FC and look forwarding to welcoming more partners to Chelsea FC in the future.

Employees

The Club's owners are determined to establish and nurture a culture of transparency, accountability, inclusivity, diversity and opportunity for all Chelsea employees. There is a clear intent for the Club to be a beacon of hope, positivity and good leadership for employees and the communities we all serve.

The Club's owners will continue to build on the initial work they have already done to create a sustainable, positive culture that will ensure Chelsea FC's future success. The Club's owners have begun a comprehensive review of the structures, processes, policies and support needed for its people across the organisation, taking steps to instil an environment consistent with their values.

The physical and mental health and wellbeing of all Chelsea employees is paramount. The owners' mission is to create a workplace environment and corporate culture that empowers everyone in the Chelsea FC community to be safe, included, valued and trusted, and to work tirelessly to set and achieve the highest standards. Mental health first aid training has been introduced, alongside a number of staff-led initiatives and activities to commemorate Mental Health Awareness Week.

The Club's values are at the core of our people-related activities both on and off-the-pitch. Significant progress has been made in relation to equality, diversity and inclusion, promoting fair and equitable policies and procedures throughout its recruitment, retention, training, development, and recognition processes. The introduction of employee resource groups connected to ED&I will only further activity in this area. Chelsea FC is fully committed to equal and fair opportunities, demonstrated through our support of the London and National Living Wage, our Disability Confident accreditation, our early commitment to the FA Football Leadership Diversity Code and continued work on the Premier League Equality Standard at Advanced Level.

Shareholders

The Group is owned by a consortium led by Todd Boehly, chairman and CEO of Eldridge, and Clearlake.

The shareholders are kept fully informed of the Group's actual and forecast results and funding requirements. Decisions are only made in relation to the long-term strategy of the Club following thorough discussions between board members and the shareholders.

Regulatory bodies

The Group is regulated by The FA, the Premier League, UEFA and FIFA. As explained elsewhere in the Strategic Report, the Group actively engages with these regulatory bodies to ensure compliance with all regulations.

Suppliers

The Group's suppliers are integral to the day-to-day operation of the business. Relationships are carefully managed to ensure that the Group is always obtaining value for money and reflect the values of the club. The company seeks to ensure that good relationships are maintained with suppliers through regular contact and the prompt payment of invoices.

Other stakeholders and the wider community

The Club is committed to ensuring that none of its activities have a detrimental impact on the wider community. The Chelsea Foundation brings together the Football in the Community and the Education department along with the Club's other charitable and community activities, including our international work and anti-discrimination projects. As one of the world's leading football social responsibility programmes the Chelsea Foundation uses the power of football and sport to motivate, educate and inspire.

On top of our outstanding football development programmes, the Chelsea Foundation works on a broad range of initiatives focusing on employment, education, social deprivation, crime reduction, youth offending and much more.

The Club continually tracks and reviews it's environmental impact with a view to work towards further sustainable and environmentally friendly projects. The intention is to continue to improve efficiency in the use of all resources and adopt an approach to implement low and zero carbon technologies where appropriate.

The Club is committed to treating all relevant legal and environmental legislation and guidelines as a minimum requirement and will seek to exceed them wherever possible. The Club is also fully (Energy Savings Opportunities Scheme) ESOS compliant. The club has conducted a high level assessment of potential climate related risks at year end, this is a developing process which we will continually look to work on in future reporting periods. At this time the club see the process of managing these risks as having no material impact on the business.

Decision making and section 172 of the Companies Act 2006

The Club's primary strategy is to deliver on-field success, whilst taking into consideration all stakeholders.

During the past year the Club continued to support the needs of staff and the wider community.

The Chelsea Foundation continues to provide outstanding leadership, with its staff at the forefront of the delivery of education programmes and established support sessions for people of all ages.

The Club continues to expand our anti-discrimination work with its No To Hate campaign. Using the Club's global reach, we provide guidance for fans on how to report racist abuse, both in the stadium and online. We work to identify perpetrators of racist abuse and take the strongest possible action against them, working with police and authorities to secure prosecutions. The club will continue to work with football authorities and campaigning organisations to support best practice on tackling racism and promoting equality, diversity and inclusion.

The No To Hate campaign runs in tandem with the Club's Equality Action Plan, as well as our work as signatories to the FA's Football Leadership Diversity Code and our support for the Premier League's No Room For Racism Action Plan.

The Club also took action to manage costs throughout the period to protect the wider commercial interests of the business.

Climate-related Financial Disclosures
The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 have been introduced into the UK in order for UK businesses to report on material climate-related matters and the impact that they have on their organisations.

We recognise that the long-term future of our business relies on the health and vitality of our people, of our communities and of our planet and so aim to be a leader in sustainability actions and performance in sport. We want to be playing football in the heart of our community and entertaining fans for decades and centuries to come.

Governance

Chelsea FC is developing its governance framework on how to manage climate-related risks and has recently appointed an Environmental Social Governance (ESG) manager to update the board on climate-related issues. Chelsea FC has a sustainability working group (SWG) chaired by the ESG manager that meets to discuss challenges relating to climate risks across the business's operations. This working group will in time report to the Executive Leadership Team on a regular basis, and currently helps to identify key priority areas for Chelsea FC's ESG work. The ESG manager was appointed in June of the reporting year, whilst the SWG held its first meeting in September 2023.

As of the reporting period ending June 2023, no directors have oversight of climate-related risks and opportunities. This is because the ESG manager role is a recent appointment and the SWG has only just formed we are developing our formal governance approach with respect to this area.

Risks

Chelsea FC is currently assessing the challenges to our business and investigating how the way that we operate as a business is being affected by climate change. We have identified three main pillars of ESG that we will begin to work on:

Table 1: ESG pillars

Environmental	**Community**	**Social**
Energy and emissions	Economy and community	Accessibility and equality
Waste management	Procurement and employment	Engagement and education
Water and effluents		Healthy options
Materials and chemicals		
Food and drink		
Biodiversity and habitats		

By using this three-pillar approach this will enable Chelsea FC to identify and manage areas of climate and social opportunities.

Chelsea FC is evaluating its approach to climate-related risks and opportunities and will continue to track and comply with any emerging mandatory disclosures of climate-related risks. We are in the process of reviewing what commitments as a business we should set and continue to learn and develop our understanding to implement more sustainable practices and influence positive change.

Chelsea FC considers climate-related risks as part of its wider business risks as referred to in the Strategic Report. A description of climate-related risks and opportunities arising from Chelsea FC's operations is shown in Table 2. Timeframes are classed as short-term (0-5 years), medium-term (5-15 years) and long-term (15+ years).

Table 2: Chelsea FC climate risks and opportunities

Risks	**Description of Risk**	**Timeframe**
Climate change	If the planet reaches the scenario of a temperature rise of 1.5°C or 2°C there is a significant increase in operational challenges that we will face as an organisation. There are wide-reaching consequences to Chelsea FC if we fail to limit this temperature rise. Chelsea FC will plan to ensure we are an organisation that is resilient to climate change and the issues it poses.	Long term

Climate-related Financial Disclosures (continued)

Table 1: Chelsea FC climate risks and opportunities (continued)

Risks	Description of Risk	Timeframe
Extreme weather	Severe weather events significantly affect operations at Chelsea FC. We plan to raise awareness about how to future-proof football and business operations. Furthermore, we operate an adverse weather plan utilised by staff when faced with extreme weather conditions during a training session or football match. Extreme heat impacts the operations of football clubs as well as the way our staff and buildings function. Prolonged or elevated temperatures can lead to overheating of buildings, damage physical and natural assets, and affect human well-being. Prolonged drought or water scarcity is a major concern to our operation which relies on maintaining grass pitches. This impacts the health of our training pitches, trees, ecosystems and biodiversity. Heavy rain/ flooding either fluvial or pluvial can adversely affect the operations of Chelsea FC. Fluvial events result in areas becoming unusable and unsafe for activities for example flooding of training pitches. Whereas pluvial events from surface water severely disrupt both business and football operations.	Short to medium term
Reputational risk	There is growing pressure from external stakeholders who are demanding we address climate change risks. The perceived inaction of Chelsea FC can harm relationships with fans, partners, sponsors and staff. This adversely impacts potential investment and business opportunities for Chelsea FC.	Medium to long term
Emissions from fan travel	Fan travel emissions are expected to make up a significant proportion of Chelsea FC's carbon footprint. Chelsea FC are about to embark on its carbon reporting journey and in the Scope 3 category for downstream transport and distribution we must account for emissions arising from the transportation of fans in vehicles not owned by the reporting company. By developing a thorough understanding of our carbon footprint, we can identify opportunities to reduce GHG emissions, and with it our impact on the environment. To reduce the emissions from one of the most significant sources of our carbon footprint, Chelsea FC are engaging with fans to help facilitate less carbon-intensive forms of transport.	Medium to long term
Supply chain instability	Recent geopolitical instability has shown that supply chains across Europe can be put under increased pressure. To ensure we are prepared for this Chelsea FC needs to assess and model various scenarios. We will be working closely with our supply chain partners to manage this risk moving forward.	Medium to long term

Climate-related Financial Disclosures (continued)
Actual and potential impacts of the climate-related risks, targets used to manage climate related risks and KPI's used to assess progress against targets

Chelsea FC has considered the Climate-related Financial Disclosure requirements (e) to (h) which require:

- a description of the actual and potential impacts of the climate-related risks and opportunities on the company's business model and strategy;
- an analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios;
- a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and
- a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

The board have performed a high-level assessment of these climate risk factors and determined that at this time it doesn't have a material impact on the business, therefore this information related to climate disclosure requirements (e) to (h) is not material for an understanding of the business. This will be continuously monitored going forward and reported on accordingly.

Non-Financial and Sustainability Information Statement
See information included in the Climate-related Financial Disclosures within the Strategic Report above.

By order of the Board

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Todd Boehly
Chairman

20 December 2023

Stamford Bridge
Fulham Road
London
SW6 1HS

The directors present their report and the financial statements of the company and the Group for the year ended 30 June 2023.

Principal activities

The principal activities of the Group are the operation of a professional football club, the provision of catering and function facilities, hoteliers, retailing and media activities, car park management, event organisation and property development and management.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Barnard
T Boehly
B Charone
B Eghbali
J Feliciano
D Finkelstein
J Goldstein
C Jurasek (appointed 25/05/2023)
J Pade
M Walter
H Wyss

Results and dividends

The loss for the year before taxation was £90.1m *(2022: loss of £121.4m).*

No dividends were paid. The directors do not recommend payment of a dividend.

Disabled persons

Disabled persons are given full and fair consideration in all applications for employment. Equal consideration is also given for training, career development and opportunities for promotion. If an existing employee becomes disabled, such steps that are practical are taken, in respect of adjustments to premises or employment arrangements, to retain him/her in employment. Where appropriate, rehabilitation and suitable training are provided.

Employee involvement

The Group recognises the importance of good employee relations and communications and involves employees as appropriate to each company's circumstances. Employees are kept informed of and are asked to express their view on activities which are of concern to them or are likely to affect their interests.

Events after the reporting date

Since the year end the Group has acquired the registration of 21 football players at an initial cost of £454.3m and disposed of the registration of 10 players at a profit of £48.2m.

Auditor
The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Streamlined Energy and Carbon Reporting
The SECR disclosure presents the Group's carbon footprint within the United Kingdom for Scope 1, 2 and 3 emissions based on SECR legislation, an appropriate intensity metric and the total energy use of electricity, gas and transport fuel for the year ended 30 June 2023.

	2023	**2022**
Emissions from combustion of gas (tCO_2e) (Scope 1)	2,960	2,675
Emissions from combustion of fuel for transport purposes (tCO_2e) (Scope 1)	28	17
Emissions from purchased electricity (tCO_2e) (Scope 2)	4,131	3,929
Emissions from business travel in rental cars or employee-owned vehicles (tCO_2e) (Scope 3)	142	143
Total Scope 1, 2 & 3 emissions (tCO_2e)	**7,261**	**6,764**
Intensity ratio (tCO_2e/£M Turnover)	14.17	14.05
Energy consumption used to calculate emissions (kWh)	37,545,474	34,706,646

Methodology
The reporting boundary has been defined using the operational control approach as set out in the Greenhouse Gas ("GHG") Protocol. The UK Government GHG Conversion Factors for company reporting have been used to calculate carbon emissions.

The reported emissions relate to Chelsea Football Club within the UK only. This includes the football ground, hotels, apartments, restaurants and Under the Bridge event space at Stamford Bridge as well as the Cobham training ground and Kingsmeadow Stadium. Further assets include small buildings within the grounds at Cobham. It excludes energy use out-with the operational control of Chelsea FC. For example, travel that is operated by other parties.

Energy Efficiency Action Taken
The Group has worked to increase the amount of electric vehicle charging points at Stamford Bridge and the Cobham training ground. The old health club and spa at Stamford Bridge has undergone a change of use into a matchday-only hospitality space. Activities in this change of use include decommissioning the pool and spa area which will greatly reduce water, electricity and heat use on-site. The space will also be fitted with our BMS system and LED lighting. As this space is only in use for matchdays, further energy reductions are expected.

Additional energy efficiency projects include the replacement of a large catering dishwasher for matchday use. This upgraded machine is more energy efficient, has a built-in dewatering system that captures food waste, dehydrates it and reduces the weight of the food waste. Furthermore, a new chiller system has been installed at Stamford Bridge, located in the north stand, this is a more efficient and a less energy intensive model. We have also increased bike storage at Stamford Bridge with more planned in the future and transitioned our grounds equipment from petrol/diesel to electric wherever possible.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and Group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and Group is aware of that information.

By order of the Board

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Todd Boehly
Chairman

20 December 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent 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 of the state of affairs of the group and parent company and of their profit or loss 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 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELSEA FC HOLDINGS LIMITED

Opinion

We have audited the financial statements of Chelsea FC Holdings Limited ("the Company") for the year ended 30 June 2023 which comprise the group profit and loss account, group statement of comprehensive income, group and company balance sheet, group and company statement of changes in equity, group statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group'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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease its operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the group and company's financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to limited opportunities to manipulate revenue.

We did not identify any additional fraud risks.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELSEA FC HOLDINGS LIMITED (CONTINUED)

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and journal entries containing specific words in their description.
- Evaluated the business purpose of significant unusual transactions.
- Obtained legal confirmations from third party legal counsel.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and others management (as required by auditing standards), and from inspection of the group and the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, profit and sustainability rules, employment law and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

For the self-reporting matters discussed in note 21 and note 27 we assessed disclosures against our understanding from regulatory and legal correspondence.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELSEA FC HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 14, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

P Barron

Paul Barron (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

20 December 2023

CHELSEA FC HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Operations excluding player amortisation and trading 30 June 2023 £000	Player amortisation, impairment and trading 30 June 2023 £000	Total 30 June 2023 £000	30 June 2022 £000
Turnover	3	512,467	-	512,467	481,278
Cost of sales		(467,205)	-	(467,205)	(386,794)
Gross profit		45,262	-	45,262	94,484
Administrative expenses		(90,596)	(203,254)	(293,850)	(336,913)
Other operating income	4	30,606	-	30,606	-
Operating loss		(14,728)	(203,254)	(217,982)	(242,429)
Interest receivable and similar income	10	586	4,303	4,889	4,879
Interest payable and similar charges	11	-	(16,392)	(16,392)	(7,063)
Profit on disposal of player registrations		-	62,861	62,861	123,213
Profit on disposal of fixed assets		76,524	-	76,524	-
Fair value gain/(loss) on investment		-	-	-	45
Profit/(loss) before taxation	6	62,382	(152,482)	(90,100)	(121,355)
Taxation	12	331	-	331	73
Profit/(loss) for the financial year		62,713	(152,482)	(89,769)	(121,282)

Included within operating loss is £Nil *(2022: £94,677,000)* relating to the impairment of player registrations and other expenses (see Note 5).

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 25-47 form an integral part of these financial statements.

CHELSEA FC HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023 £000	2022 £000
Loss for the year	(89,769)	(121,282)
Other comprehensive income	-	-
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(89,769)	(121,282)

The notes on pages 25-47 form an integral part of these financial statements.

Total comprehensive loss for the year is all attributable to the owners of the parent company.

CHELSEA FC HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	**13**		709,754		306,898
Tangible assets	**14**		156,308		170,118
Investment properties	**15**		3,170		3,170
Investments	**16**		-		-
			869,232		480,186
Current assets					
Stocks	**19**	28		48	
Debtors	**20**	277,674		339,623	
Cash at bank and in hand		87,889		54,184	
		365,591		393,855	
Creditors: amounts falling due within one year	**21**	(622,387)		(352,722)	
Net current (liabilities)/assets			(256,796)		41,133
Total assets less current (liabilities)/assets			612,436		521,319
Creditors: amounts falling due after more than one year	**22**		(260,167)		(78,943)
Provisions for liabilities	**24**		(1,214)		(1,549)
Net assets			351,055		440,827
Capital and reserves					
Called up share capital	**26**		2,150		2,150
Share premium account			1,484,064		1,484,064
Revaluation reserve			-		860
Retranslation reserve			(17)		(14)
Profit and loss reserves			(1,135,142)		(1,046,233)
Total equity			351,055		440,827

The notes on pages 25-47 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on the 20 December 2023 and are signed on its behalf by:

....
Todd Boehly
Chairman

Company Registration No. 02536231

CHELSEA FC HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	13		4,884		3,994
Tangible assets	14		11,122		7,454
Investments	16		1,330,411		1,112,207
			1,346,417		1,123,655
Current assets					
Debtors	20	256,639		321,937	
Cash at bank and in hand		87,302		53,704	
		343,941		375,641	
Creditors: amounts falling due within one year	21	(230,603)		(80,345)	
Net current assets			113,338		295,296
Total assets less current liabilities			1,459,755		1,418,951
Creditors: amounts falling due after more than one year	22		-		-
Net assets			1,459,755		1,418,951
Capital and reserves					
Called up share capital	26		2,150		2,150
Share premium account			1,484,064		1,484,064
Revaluation reserve			6,555		6,555
Profit and loss reserves			(33,014)		(73,818)
Total equity			1,459,755		1,418,951

The notes on pages 25-47 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on the 20 December 2023 and are signed on its behalf by:

....

Todd Boehly
Chairman

Company Registration No. 02536231

CHELSEA FC HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital	Share premium account	Revaluation reserve	Retranslation reserve	Profit and loss reserves	Total
		£000	£000	£000	£000	£000	£000
Balance at 1 July 2021		2,119	1,322,706	2,075	(45)	(926,166)	400,689
Year ended 30 June 2022:							
Loss for the year		-	-	-	-	(121,282)	(121,282)
Total comprehensive loss for the year		-	-	-	-	(121,282)	(121,282)
Issue of share capital		31	161,358	-	-	-	161,389
Other movements	**26**	-	-	(1,215)	31	1,215	31
Balance at 30 June 2022		2,150	1,484,064	860	(14)	(1,046,233)	440,827
Year ended 30 June 2023:							
Loss for the year		-	-	-	-	(89,769)	(89,769)
Total comprehensive loss for the year		-	-	-	-	(89,769)	(89,769)
Issue of share capital		-	-	-	-	-	-
Other movements	**26**	-	-	(860)	(3)	860	(3)
Balance at 30 June 2023		2,150	1,484,064	-	(17)	(1,135,142)	351,055

The notes on pages 25-47 form an integral part of these financial statements

CHELSEA FC HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £000	Share premium account £000	Revaluation reserve £000	Hedging reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 July 2021		2,119	1,322,706	6,555	-	(66,872)	1,264,508
Year ended 30 June 2022:							
Loss for the year		-	-	-	-	(6,946)	(6,946)
Total comprehensive loss for the year		-	-	-	-	(6,946)	(6,946)
Issue of share capital	26	31	161,358	-	-	-	161,389
Balance at 30 June 2022		2,150	1,484,064	6,555	-	(73,818)	1,418,951
Year ended 30 June 2023:							
Profit for the year		-	-	-	-	40,804	40,804
Total comprehensive profit for the year		-	-	-	-	40,804	40,804
Issue of share capital	26	-	-	-	-	-	-
Balance at 30 June 2023		2,150	1,484,064	6,555	-	(33,014)	1,459,755

The notes on pages 25-47 form an integral part of these financial statements

CHELSEA FC HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

			2023		2022
	Notes	**£000**	**£000**	**£000**	**£000**
Cash flows from operating activities					
Cash generated from/(used in) operations	**33**		173,496		(86,213)
Interest received			586		4,879
Interest paid			-		(7,063)
Taxation (paid)/received			(4)		2
Net cash inflow/(outflow) from operating activities			174,078		(88,395)
Investing activities					
Purchase of intangible assets		(747,792)		(127,740)	
Proceeds on disposal of intangibles		202,797		129,076	
Purchase of tangible fixed assets		(20,875)		(7,084)	
Net cash used in investing activities			(565,870)		(5,748)
Financing activities					
Proceeds from borrowings		428,500		83,541	
Repayment of borrowings		(3,000)		(113,000)	
Issue of share capital		-		161,389	
Net cash generated from financing activities			425,500		131,930
Net increase in cash and cash equivalents			33,708		37,787
Cash and cash equivalents at beginning of year			54,184		16,366
Retranslation of foreign currency subsidiary			(3)		31
Cash and cash equivalents at end of year			87,889		54,184

The notes on pages 25-47 form an integral part of these financial statements

1 Accounting policies

Company information

Chelsea FC Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales in the United Kingdom. The registered number is 02536231 and the registered office is Stamford Bridge, Fulham Road, London, UK, SW6 1HS.

The "Group" consists of Chelsea FC Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £40,804,000 *(2022: loss of £6,946,000).*

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Chelsea FC Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence, are treated as associates. In the Group financial statements, associates are accounted for using the equity method.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

1 Accounting policies (continued)

1.3 Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate. The Group reviews and updates its cash flow forecasts on a regular basis and keeps its parent aware of various potential funding scenarios based on the performance of both the men's and women's football teams. In all scenarios, the Group is reliant on the continued availability of funding from its intermediate parent undertaking, Blueco 22 Limited. The most significant factor that determines the extent of the financial support requirement is the net impact of future player transfer activity. When assessing going concern of the Group and Company, the directors evaluate whether the facilities at the intermediate parent undertaking are sufficient to cover working capital requirements and that there is no shortfall of liquidity during the going concern period.

The Group has received assurances from the Directors of Blueco 22 Limited, via a letter of financial support, that sufficient funds will be made available to allow the Company and the Group to continue trading as a going concern for the foreseeable future. As with any company placing reliance on financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group and company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Turnover

Turnover represents all income arising from the ordinary activities of the Group excluding transfer fees and excluding Value Added Tax. Principal sources of income include gate receipts, sponsorship, the sale of broadcasting rights, matchday, central awards from the Premier League, UEFA solidarity payments, prize money, merchandising and revenue from other commercial activities.

Gate receipts, matchday and other event day revenue is recognised over the period of the football season as games are played and events are staged. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned at the point of broadcast. Merit awards are accounted for over the period of the football season based on known position in the league. UEFA pool distributions relating to participation in European competitions are recognised when received whilst distributions relating to match performance are taken when earned; these distributions are classified as broadcasting revenues.

1 Accounting policies (continued)

1.5 Players' registrations

All costs associated with the acquisition of a player's registration are capitalised as intangible fixed assets and are amortised evenly over the period of the player's initial contract of employment with the Company. In the event that the initial contract is renegotiated prior to expiry, the written down value at the date of renegotiation is amortised over the extended period. Fees receivable are set off against the player's net book value at the date of sale, plus any payments made in settlement of the contracts, and the difference is treated as a profit or loss on disposal.

The Directors review the carrying value of the players' registrations (within intangible assets) for impairment where events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. In completing their assessment of impairments required the Directors consider the playing squad to be one cash generating unit such that no impairment is recorded if the recoverable amount of the playing squad is greater than its carrying value. Per FRS 102.27.11, the recoverable amount is calculated using the higher of the Fair Value less Costs to Sell (FVLCTS) and its value in use however in the case of player registrations the Directors do not consider it possible to determine to VIU of an individual player.

In certain situations, such as career-threatening injury, players are treated as a separate cash generating unit and the carrying values are compared to the Group's best estimate of the players FVLCTS. To the extent that the carrying value exceeds the recoverable amount, the asset is impaired and the impairment loss is recognised in the profit and loss account.

1.6 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 to 5 years
Player registrations	Life of contract

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold buildings	20 to 100 years on a straight line basis
Assets in the course of construction	Not depreciated
Fixtures, fittings & equipment	2 to 10 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1 Accounting policies (continued)

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.9 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets (excluding players' registrations) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.12 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments
Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

1.14 Derivatives
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

1.16 Taxation

The tax credit represents the sum of the tax currently receivable and deferred tax.

Current tax

The charge or credit for tax is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax

Deferred tax is recognised without discounting in respect of all timing differences when items are included in a tax assessment in one period and recognised in the financial statements in another, except as otherwise required by FRS 102.29 'Income Tax'.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only when, on the basis of available evidence, it can be regarded as more likely than not that the reversal of underlying timing differences will result in a reduction in future tax payments.

1.17 Retirement benefits

The Group operates a number of defined contribution schemes. Contributions to these schemes are charged to the profit and loss account as incurred. The Group is one of a number of employers in a shared defined benefit scheme for playing staff.

The defined benefit scheme is a multi-employer scheme. Where there is insufficient information to enable the entity to adopt defined benefit accounting, the scheme is accounted for as a defined contribution scheme in line with FRS102.28.11.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.19 Foreign exchange

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the transaction date. Foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are included in the profit and loss account.

1.20 Retranslation Reserve

Balances within reserves that relate to the foreign subsidiaries within the Group are retranslated on consolidation and the difference shown within the Retranslation reserve. The Group currently has one foreign subsidiary, Chelsea FC Pte Limited, which is a company registered in Singapore.

1.21 Deferred Income

Income from season tickets, sponsorship, broadcasting and other commercial contracts, which has been received prior to the period end in respect of future football seasons, is treated as deferred income. Income is then recognised in the profit and loss account in the relevant financial period in line with the recognition criteria of FRS 102.

1 Accounting policies (continued)

1.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The valuation of player registrations is highly subjective and can be subject to frequent and sudden change dependent on individual player performance and the general conditions in the transfer market. The Directors' and management teams' consider that they have sufficient experience and knowledge to make these assessments. These experiences are drawn on when making these detailed assessments and is completed in line with the accounting policy in note 1.5.

In certain instances, there may be players whom the Group does not consider to be part of the First Team squad (cash generating unit or "CGU") going forwards and who will therefore not contribute to the future cash flows earned by the CGU. The Directors note that there is significant judgement involved of such situations where the Group does not consider a player to be part of the First Team squad CGU. An example of an indicator of such a situation is when a player has incurred a career-threatening injury. Where a player is not considered part of the First Team squad CGU, the carrying value of the player is removed from the CGU and instead, the player will be assessed for impairment in isolation by considering his carrying value with the Group's best estimate of his fair value less costs to sell.

As disclosed in the Directors' Report, during the year the group commenced a review and restructure of its real estate portfolio resulting in the sale of hotel buildings and car park property to Blueco 22 Properties Limited, a fellow subsidiary of the intermediate parent company, Blueco 22 Limited. In ascertaining the transaction price included within these financial statements, the Directors have obtained market values from two industry leading property valuers, for the purposes of recognising a gain of £76.3m in these financial statements. The Directors agree that these valuations reflect the best estimate when determining the market value of the hotel buildings and car park property.

The consideration for the transaction is subject to Premier League assessment under their associated party transactions rules, as at the date of signing the financial statements, this process is still to be concluded therefore there is a possibility that the Premier League determination of a fair market value, may differ from that recognised within these financial statements. The Directors note that the conclusion of this process may result in a material change to the gain recognised in these financial statements.

The Group determined that certain litigation costs and associated professional fees amounting to £17.1m, that have been incurred subsequent to Blueco 22 Limited acquiring the Group, should be recharged to the intermediate parent company. It is management's judgement that the amounts represent costs which were only incurred due to the acquisition of the Group by Blueco 22 Limited and therefore should be appropriately borne by the intermediate parent company on an arm's length basis. In accordance with FRS 102 Section 2, the directors consider other operating income in the profit and loss account to be the most appropriate place to present the related credit as opposed to within equity.

3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

	2023 £000	2022 £000
Turnover		
Broadcasting	225,902	235,016
Commercial	210,084	177,099
Matchday	76,481	69,163
	512,467	481,278

Turnover analysed by geographical market

	2023 £000	2022 £000
United Kingdom	512,467	481,278

4 Other operating income	2023 £000	2022 £000
Research and development tax credit	1,048	-
Recharged costs (see Note 2)	17,058	-
Settlement fee	12,500	-
	30,606	-

5 Impairment and other expenses	2023 £000	2022 £000
Impairment and other expenses	-	94,677

Impairment and other expenses in the year consist of impairment of player registrations of £Nil *(2022: £76.7m)* (see Note 13) and amounts payable in relation to ongoing legal matters of £Nil *(2022: £18.0m)*.

6 Loss before taxation

	2023	2022
	£000	£000
Loss before taxation for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	12,712	11,728
Profit on disposal of player registrations	(62,861)	(123,213)
Profit on disposal of fixed assets	(76,524)	-
Amortisation of intangible assets	205,000	162,457
Impairment of intangible assets	-	76,700
Operating lease charges	165	94

7 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£000	£000
For audit services		
Audit of the financial statements of the Group and company	58	50
Audit of the company's subsidiaries	102	130
	160	180
For other services		
Taxation compliance services	40	40
Other taxation services	119	145
Review of the company's interim accounts	76	81
	235	266

8 Employees

Employee benefits and average number

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

	2023 Number	2022 Number
Administration and commercial	646	625
Playing staff, managers and coaches	181	163
	827	788

Their aggregate remuneration comprised:

	2023 £000	2022 £000
Wages and salaries	352,355	297,569
Social security costs	49,831	40,974
Pension costs	1,776	1,706
	403,962	340,249

Key management compensation

Key management personnel include the executive leadership team of the Group, formed this year following the change in ownership. In the prior year key management personnel consisted of the directors. The aggregate compensation payable to key management personnel for employment services comprised:

	2023 £000	2022 £000
Aggregate compensation	4,134	5,860

9 Directors' remuneration

	2023 £000	2022 £000
Remuneration for qualifying services	613	4,748
Company pension contributions to defined contributions schemes	18	34
Compensation for loss of office	-	1,078
	631	5,860

Then number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 *(2022: 2).*

9 Directors' remuneration (continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £000	2022 £000
Remuneration for qualifying services	268	35,075
Company pension contributions to defined contributions schemes	18	-
	286	35,075

10 Interest receivable and similar income

	2023 £000	2022 £000
Interest income		
Interest on bank deposits	586	117
Other interest income	4,303	4,762
Total finance income	4,889	4,879

Debtor balances relating to future amounts receivable have been recorded at the net present value of future payments, discounted using a market rate of interest, resulting in interest income being recognised over the period of the transactions.

11 Interest payable and similar charges

	2023 £000	2022 £000
Total finance costs	16,392	7,063

Creditor balances relating to future transfer fees payable have been recorded at the net present value of future payments, discounted using a market rate of interest resulting in interest expense being recognised over the period of the transactions.

12 Taxation

	2023 £000	2022 £000
Current Tax		
Current tax on loss for the year	4	7
Total Current Tax	4	7
Deferred tax (see note 24)		
Origination and reversal of timing differences	(342)	(80)
Adjustments in respect of prior periods	7	-
Total Deferred Tax	(335)	(80)
Total tax credit	(331)	(73)

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2023 £000	2022 £000
Loss on ordinary activities before taxation	(90,100)	(121,355)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.5% *(2022: 19%)*	(18,471)	(23,057)
Tax effect of expenses that are not deductible in determining taxable profit	9,763	3,465
R&D expenditure credits	(215)	-
Adjustments in respect of prior periods (deferred tax)	7	-
Other timing differences	(675)	-
Chargeable losses	(413)	(212)
Fixed asset differences	(17,319)	1,372
Remeasurement of recognised and unrecognised deferred tax for changes in tax rates	(6,050)	(5,822)
Deferred tax remeasurement not recognised	32,974	24,180
Other permanent differences	68	1
Tax income for the year	(331)	(73)

A potential deferred tax asset of £264,202,000 *(2022: £228,080,000)* has not been recognised due to uncertainty over future profits.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This has resulted in a hybrid rate of corporation tax for the year ended 30 June 2023 of 20.5%. The deferred tax liability at 30 June 2023 has been calculated at 25%, reflecting the expected timing of reversal of the related timing differences *(2022: 25%)*.

13 Intangible fixed assets

Group

	Software	Players' registrations	Total
	£000	**£000**	**£000**
Cost			
At 1 July 2022	17,241	918,270	935,511
Additions	2,620	745,172	747,792
Disposals	-	(591,918)	(591,918)
At 30 June 2023	19,861	1,071,524	1,091,385
Amortisation and impairment			
At 1 July 2022	13,211	615,402	628,613
Amortisation charged for the year	1,750	203,250	205,000
Disposals	-	(451,982)	(451,982)
At 30 June 2023	14,961	366,670	381,631
Carrying amount			
At 30 June 2023	4,900	704,854	709,754
At 30 June 2022	4,030	302,868	306,898

Players' registrations relate entirely to the carrying value of the playing squad and are amortised over the remaining length of the players' contracts. The figures relate solely to purchased players and are based on historical cost. Where events or changes in circumstances indicate that the carrying value of the asset may not be recoverable, to the extent that the carrying value exceeds the recoverable amount, the asset is impaired and the charge is recognised in profit and loss. Officers of Chelsea Football Club Limited and Chelsea Football Club Women Limited have reviewed the carrying amount of players' registrations as at 30 June 2023 and consider an impairment of £Nil is required *(2022: £76,700,000).*

Company

	Total
	£000
Cost	
At 1 July 2022	16,592
Additions	2,619
At 30 June 2023	19,211
Amortisation and impairment	
At 1 July 2022	12,598
Amortisation charged for the year	1,729
At 30 June 2023	14,327
Carrying amount	
At 30 June 2023	4,884
At 30 June 2022	3,994

The software relates to internally generated platforms and applications developed, largely relating the club's website and the club's digital platform.

14 Tangible fixed assets

Group	Land and buildings	Assets under construction	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 July 2022	194,567	1,417	91,317	287,301
Additions	1,552	5,054	14,269	20,875
Disposals	(32,157)	(86)	(8,201)	(40,444)
Transfers	-	(1,292)	1,292	-
At 30 June 2023	163,962	5,093	98,677	267,732
Depreciation and impairment				
At 1 July 2022	57,640	-	59,543	117,183
Depreciation charged in the year	3,338	-	9,374	12,712
Eliminated in respect of disposals	(10,270)	-	(8,201)	(18,471)
At 30 June 2023	50,708	-	60,716	111,424
Carrying amount				
At 30 June 2023	113,254	5,093	37,961	156,308
At 30 June 2022	136,927	1,417	31,774	170,118

Company	Land and buildings	Assets under construction	Fixtures, fittings & Equipment	Total
	£000	£000	£000	£000
Cost				
At.1 July 2022	312	1,249	23,739	25,300
Additions	-	4,004	2,924	6,928
Disposals	-	-	(4,300)	(4,300)
Transfers		(1,249)	1,249	-
At 30 June 2023	312	4,004	23,612	27,928
Depreciation and impairment				
At 1 July 2022	-	-	17,846	17,846
Depreciation charged in the year	-	-	3,260	3,260
Eliminated in respect of disposals	-	-	(4,300)	(4,300)
At 30 June 2023	-	-	16,806	16,806
Carrying amount				
At 30 June 2023	312	4,004	6,806	11,122
At 30 June 2022	312	1,249	5,893	7,454

The Group does not hold any fixed assets under hire purchase or finance leases at the year end. Finance costs capitalised included in the value of tangible fixed assets amount to £2,003,000 *(2022: £2,003,000).*

15 Investment property

	Group 2023 £000	Company 2023 £000
Fair value		
At 1 July 2022	3,170	-
Net gains or losses through fair value adjustments	-	-
At 30 June 2023	3,170	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 June 2022 by Rawley & Co, Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors have reviewed the fair value at 30 June 2023 and no further revaluation is considered necessary.

16 Fixed asset investments

		Group		Company	
		2023	2022	2023	2022
	Notes	£000	£000	£000	£000
Investments in subsidiaries	17	-	-	112,068	112,068
Loans to subsidiaries	17	-	-	1,218,343	1,000,139
Unlisted investments		-	-	-	-
		-	-	1,330,411	1,112,207

The Directors have assessed the appropriateness of the carrying value of the subsidiary undertakings. They do not believe that any impairment against the value of investments in subsidiary undertakings is required *(2022: £Nil)*.

17 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct	Indirect
Stamford Bridge Securities Limited	Property holding	Ordinary	100.00	
Chelsea Car Parks Limited	Car park management	Ordinary	100.00	
The Hotel at Chelsea Limited	Hotel management and catering services	Ordinary	100.00	
Chelsea FC Merchandising Limited	Merchandising and mail order	Ordinary	100.00	
Chelsea FC Pte Limited	Representative office	Ordinary	100.00	
Chelsea Football Club Limited	Professional football club	Ordinary	100.00	
Chelsea Football Club Women Limited	Professional football club	Ordinary	100.00	
Chelsea TV Limited	Dormant	Ordinary	100.00	
Chelsea Limited	Dormant	Ordinary	100.00	
Chelsea FC US, Inc.	Dormant	Ordinary	100.00	

All the subsidiary undertakings are incorporated in Great Britain and registered in England and Wales, with the exception of Chelsea FC Pte Limited which is incorporated and registered in Singapore and Chelsea FC US, Inc. which is incorporated and registered in the United States of America. The registered office address of the UK subsidiaries is Stamford Bridge, Fulham Road, London, SW6 1HS.

Chelsea FC Pte Limited is a wholly owned subsidiary of Chelsea FC Holdings Limited and was formed as a management company. The registered office of this company is 21 Merchant Road, #04-01 Royal Meukh S.E.A., Singapore 058267. Chelsea FC US, Inc. is a wholly owned dormant subsidiary of Chelsea FC Holdings Limited. The registered office of this company is 1209 Orange Street, County of New Castle, Wilmington, Delaware 19801, USA.

The entire ordinary share capital and control of 100% of the voting rights of all the subsidiary undertakings are held by the Company.

18 Financial instruments

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Carrying amount of financial assets/liabilities				
Instruments measured at fair value through profit or loss	-	-	-	-

The Group and company manage transactional currency risk by using forward currency contracts to minimise the net currency exposure. The financial assets/(liabilities) relate to future cash flows and have been designated as a cash flow hedge. The gain/(loss) has been recognised in Other comprehensive income. There were no open forward currency contracts at year end.

19 Stocks

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Finished goods and goods for resale	28	48	-	-

20 Debtors

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Amounts falling due within one year:				
Trade debtors	173,963	102,674	171,149	101,388
Amounts due from other Group companies	1,312	159,110	1,312	159,110
Corporation tax recoverable	1,476	428	-	-
Other debtors	1,393	3,859	130	328
Prepayments and accrued income	17,513	14,200	2,031	1,759
	195,657	280,271	174,622	262,585
Amounts falling due after one year:				
Trade debtors	80,618	57,882	80,618	57,882
Other debtors	1,399	1,470	1,399	1,470
	82,017	59,352	82,017	59,352
Total debtors	277,674	339,623	256,639	321,937

Amounts due from other Group companies are interest free and repayable on demand.

As part of the Eurobond issue in 1997 the company made a loan to Chelsea Pitch Owners plc of £11,151,000, which is interest free and has an unspecified repayment date. This was used to acquire the share capital of Chelsea Stadium Limited (previously Stardust Investments Limited) and discharge the debts of that company in order to leave the freehold interest in the stadium site unencumbered. On the same date, Chelsea Stadium Limited (previously Stardust Investments Limited) granted a long leasehold interest over the stadium site at a peppercorn rent to Chelsea Football Club Limited. Chelsea Pitch Owners plc is obliged to repay the debt in full. The balance outstanding at 30 June 2023 was £8,066,862 *(2022: £8,215,931)*. The directors believe that the balance outstanding will ultimately be recovered. The loan is currently held in the accounts at its present value, using a market rate of interest.

21 Creditors: amounts falling due within one year

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Trade creditors	272,125	73,584	23,543	5,375
Corporation tax	-	-	-	-
Other taxation and social security	40,587	60,094	40,587	60,094
Other creditors	4,486	6,121	858	2,914
Amounts owed to parent undertaking	146,080	-	146,080	-
Accruals and deferred income	159,109	212,923	19,535	11,962
	622,387	352,722	230,603	80,345

Amounts owed to parent undertaking are interest free and payable on demand.

£45.6m *(2022: £27.8m)* of the accruals and deferred income balance represents season ticket sales for the 2023/24 season.

£10.3m *(2022: £33.6m)* of accruals and deferred income balance represent amounts that are due to settle ongoing legal matters including a post year end unconditional UEFA financial contribution of €10m (£8.6m).

22 Creditors: amounts falling due after more than one year

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Trade creditors	260,167	78,943	-	-
	260,167	78,943	-	-

23 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group Liabilities 2023 £000	Liabilities 2022 £000	Company Liabilities 2023 £000	Liabilities 2022 £000
Tax losses	492	-	-	-
Other timing differences	(230)	(715)	-	-
Capital gains	(1,476)	(834)	-	-
	(1,214)	(1,549)	-	-

24 Provisions for liabilities

Deferred taxation:	Group 2023 £000
Liability at 1 July 2022	(1,549)
Credit to profit or loss	335
Credit to other comprehensive income	-
Liability at 30 June 2023	(1,214)

25 Retirement benefit schemes

Defined contribution schemes	2023 £000	2022 £000
Charge to profit and loss in respect of defined contribution schemes	1,776	1,706

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined benefit schemes

Certain employees of the Group are members of The Football League Limited Pension and Life Assurance Scheme ('the scheme'). Accrual of benefits under a final salary basis was suspended with effect from 31 August 1999 following an actuarial review, which revealed a substantial deficit.

As one of a number of participating employers, the Group is advised only of its share of the deficit in the scheme. The latest actuarial valuation as at 31 August 2017 highlighted that the Group share of the deficit was £378,779. The revised deficit is being paid off in instalments until 31 October 2023. The charge for the year is £81,762 *(2022: £77,870).*

26 Share capital

	Group and Company 2023 £000	2022 £000
Ordinary share capital		
Issued and fully paid		
214,975,461 Ordinary shares of 1p each *(2022: 214,975,461)*	2,150	2,150

27 Financial commitments, guarantees and contingent liabilities

Under the terms of certain contracts with other football cup in respect of player transfers, additional amounts would be payable by the company if certain conditions are met. The maximum amount that could be payable is £31.2m *(2022: £16.1m).*

During the prior period, the company self-reported to relevant football authorities' certain legal matters concerning historical football transactions. The Director's acknowledge the ongoing review by the football authorities' in relation to these matters. Depending on the outcome of any the review, there could be future liabilities that cannot be quantified as at the date of these financial statements.

28 Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Within one year	95	92	70	67
Between two and five years	56	116	56	116
	151	208	126	183

29 Capital commitments

At 30 June 2023 the Group had capital commitments as follows:

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Contracted for but not provided in the financial statements:				
Acquisition of property, plant and equipment	-	-	-	-

30 Events after the reporting date

Since the year end the Group has acquired the registration of 21 football players at an initial cost of £454.3m and disposed of the registration of 10 players at a profit of £48.2m.

31 Related party transactions

Remuneration of key management personnel

Details of key management compensation are listed in Note 8.

31 Related party transactions (continued)

Transactions with related parties

During the year the Group entered into the following transactions with related parties:

	Income		Expenditure	
	2023	**2022**	**2023**	**2022**
	£000	**£000**	**£000**	**£000**
Group				
Chelsea FC Foundation	1,020	626	334	262
Nike Chelsea Merchandising Limited	509	-	4	413
Cornerstone OnDemand Limited	8	-	96	-
Chelsea Digital Ventures Limited	-	243	-	10
Lindeza Worldwide Limited	-	868	-	-
	1,537	1,737	434	685

The Board considers that Chelsea FC Foundation and its subsidiaries are a related party of Chelsea FC Holdings Limited by virtue of significant influence.

Mr J. Bonington and Mr R. Milham have been employees of Chelsea FC Holdings Limited in the period, as well as serving as Directors of Nike Chelsea Merchandising Limited.

The following amounts were outstanding with related parties at the reporting end date:

	Amounts owed from/(to) related parties	
	2023	**2022**
	£000	**£000**
Group		
Chelsea FC Foundation	35	200
Nike Chelsea Merchandising Limited	241	-

No guarantees have been given or received.

32 Controlling party

The immediate parent company is Blueco 22 Midco Limited, a company incorporated in England and Wales.

The directors consider the ultimate parent undertaking to be Blues Investment Holdings L.P., a limited partnership incorporated in Cayman Islands.

For the year ended 30 June 2023, the smallest group of undertakings in which the company's results are included is Blueco 22 Limited and the largest is 22 Holdco Limited.

The registered office of Blueco 22 Midco Limited, Blueco 22 Limited and 22 Holdco Limited is Stamford Bridge, Fulham Road, London, SW6 1HS.

33 Cash used in group operations

	2023 £000	2022 £000
Loss for the year after tax	(89,769)	(121,282)
Adjustments for:		
Taxation credited	(331)	(73)
Finance costs	16,392	7,063
Investment income	(4,889)	(4,879)
Fair value gains losses on investment properties	-	(45)
Amortisation and impairment of intangible assets	205,000	239,157
Depreciation and impairment of tangible fixed assets	12,712	11,728
Profit on disposal of tangible fixed assets	(76,524)	-
Profit on disposal of player registrations	(62,861)	(123,213)
Movements in working capital:		
Decrease in stocks	20	60
Increase in debtors	(92,676)	(143,137)
Increase in creditors	266,422	48,408
Cash generated from/(used in) operations	173,496	(86,213)