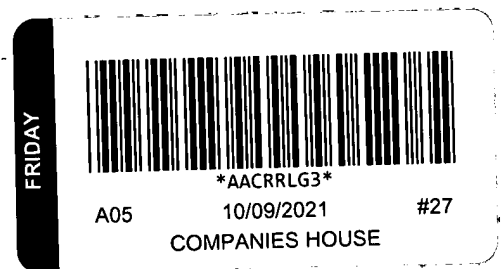


REGISTERED NUMBER: 09680325 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
FOR
PURE SPORTS CONSULTANCY LIMITED**



PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

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FOR THE YEAR ENDED 30 JUNE 2020**

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PURE SPORTS CONSULTANCY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020**

DIRECTOR: P J Hodgkinson

REGISTERED OFFICE: Fourth Floor Building 8
Princes Parade
Liverpool
Merseyside
L3 1DL

REGISTERED NUMBER: 09680325 (England and Wales)

AUDITORS: Revell Ward Limited
Chartered Accountants and Statutory Auditors
Bates Mill
Colne Road
Huddersfield
HD1 3AG

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The director presents his strategic report of the company and the group for the year ended 30 June 2020.

The company's principal activity is holding an interest in its subsidiary, The Huddersfield Town Association Football Club (the Club), a professional football club, together with related and ancillary activities. The Club holds an interest in Huddersfield Canalside Limited, which is now dormant but used to service and support the company from the Canalside facility, which is our football and academy base. The Club also holds a 40% investment in Kirklees Stadium Development Limited which controls, operates, manages and develops the John Smith's Stadium and the surrounding 54-acre site.

REVIEW OF BUSINESS

During the 2019/20 financial year, the Club competed in the EFL Championship, following relegation from the Premier League. We finished the season 18th in the EFL Championship, with a total of 51 points. The financial impact of relegation is of course cushioned by Premier League parachute payments, originally expected to total approximately £91m over the next 3 seasons. We will use these funds to assist in our squad transition, settle outstanding transfer fees and invest in our infrastructure, as well as being used for servicing of our existing debt. As a consequence of the impact of Covid on the 2019/20 season, we were advised by the Premier League that our parachute payments for that season would be £2.6m lower than originally notified.

Turnover was £52.7m, mainly due to a drop in central distributions following relegation. Other commercial revenues such as retail, hospitality & advertising also fell as a result of relegation and were additionally impacted by COVID-19, with the club's final 4 matches of the season being played behind closed doors.

Football wages continue to be the largest expense for the Club. Despite substantial investment in the squad on players such as Isaac Mbenza and Richard Stearman, overall employee costs were £30.3m, with amortisation of player registrations also falling to £27.9m.

Profit from the sale of player registrations was £18.1m, driven by the key sales of Philip Billing, Tommy Smith and Aaron Mooy.

The above contributed to a loss before tax for the year for the group of £10m.

The year-end net debt balance of the group consisted of £31.8m owing to Dean Hoyle and £30.8m (2019 - £1m) to other lenders, offset by cash balances of £10.6m (2019 - £1m). The group's objective is to significantly reduce the balance owing to Dean Hoyle through a combination of player trading, operational cashflows and funding from the controlling shareholder.

Key Indicators	2020 Championship
Final League Position	18th
Average League Attendance	17,966
Turnover (£m)	52.7
Total Staff Costs (£m)	30.3
Total Staff Costs as % of Turnover	57.50%
Profit on Player Trading (£m)	18.1
Loss Before Tax (£m)	(10.0)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Board Changes

Prior to the start of the financial year, Dean Hoyle and I exchanged contracts for the sale of a 75% shareholding in the Club to Pure Sports Consultancy Limited, an independent company owned and funded by me. Following completion of the takeover in July 2019, I joined the Board of the Club as Chairman with Dean becoming a Non-Executive Director, together with David Kirby Group Financial Director at PURE Business Group.

Chief Executive Julian Winter formally resigned and left the Board of the Club in December 2019. I was delighted that Mark Devlin joined as Chief Executive in January 2020. Mark brings a wealth of football experience to the Club, with a proven track record with clubs such as Brentford and Dundalk. Mark formally joined the Board of the Club in November 2020. Sean Jarvis resigned and left the Board in March 2020.

In October 2020, Darren Bryant retired from his full-time role as Finance Director, to become a Non-Executive Director of the Club. As part of a planned succession management process, Matt Wright was appointed as Finance Director. Matt also brings a wealth of football experience to the Club, having worked for the Football Association, Fulham FC and Blackpool FC. Matt was formally appointed to the Board in February 2021. Darren subsequently stepped down from the board of the Club on the 4th May 2021.

COVID-19

The global COVID pandemic has clearly had a serious negative impact on the Club. The final four matches were played behind closed doors, this not only had an impact on gate receipts but also on matchday spend such as retail, hospitality, and catering. The financial impact of the COVID pandemic will be significantly greater in the 2020/21 accounts.

Going Concern

In assessing the group's going concern status, cash flow forecasts have been prepared up to the end of the 2021/22 financial year, considering several scenarios reflecting the potential impact of COVID. Under these scenarios, based on the cash flow forecasts, expected player trading and the availability of external funding when required, I have concluded it is appropriate to prepare the financial statements on the going concern basis.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

Risk or uncertainty and potential impact

Football

Relegation arising from poor on-field performance is the principal business risk.

This can be the product of the performance of players, football management, football operations (including player recruitment), performance services and the Board of the Club.

Relegation can also fundamentally change the player recruitment strategy, as well as player and staff retention and this is likely to impact on-field performance.

People contracting risks

Relating to players:- Player recruitment due diligence-
Contract terms- Resourcing- Player trading- Injury

Relating to key staff:- Football management & suitability-
Establishing & maintaining a clear system of play- Player
development - adding value

How we mitigate

The Club's resources are focused on putting the best team possible on the field of play. This includes managing the player wages model, team preparation and training ground facilities.

The Board of the Club and senior football staff are jointly responsible for making key decisions regarding players, staff, facilities, and performance services. Regular meetings take place to ensure we deliver the best team possible against an agreed football strategy. Ongoing improvements and investment in the football operations department act to mitigate this risk. First team contracts include significant contractual reductions in weekly wages on relegation.

The Board of the Club ensures that robust processes are in place and are maintained by senior football staff. A clear criterion is in place for the type of management and coaching staff the Club requires now and in the future. The Club has in place a clear playing style and recruitment methodology. The Board of the Club is continually reviewing and improving its scouting operation and the modern innovations supporting its player identification process. Shareholder approval is required for all player contracts and terms.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Business

If the group's products, services and pricing do not remain competitive and value for money there is a risk of losing supporters and corporate clients affecting financial performance and viability.

The Board of the Club communicates openly with its fans and customers through various media. The Club has been proactive in maintaining affordable ticket prices to build the fan and customer base for the future benefit of the Club.

Operations

The separation of the operational aspects of the stadium and match-day delivery through KSDL provides operational risk with the Club's fans and corporate customers.

The Club has limited control over the match day experience affecting supporter retention, exposing the Club to the financial risk of losing supporters with the associated financial impact.

Two HTAFC directors are directors of KSDL and have both influence and voting rights to ensure match-days are managed accordingly.

The Club is also involved at Events and Commercial panels that contribute to managing the stadium operationally through a documented collaboration agreement.

Community

Failure to take ownership of the Club's community identity and social responsibility programmes.

Directors of the Club are also Trustees on the Town Foundation along with other independent trustees.

Club

Financial Fair Play risk leading to non-compliance with the EFL/Premier League exposes the Club to the risk of fines or transfer embargoes.

The Board and Finance team of the Club are supported by our auditors on an ongoing basis and liaise with the EFL/Premier League closely to ensure compliance.

Non-compliance with the applicable legislation and football regulations - player contract administration, betting, agents, match fixing, behaviour - would expose the Club to reputational damage, penalty points and/or financial penalties.

The Club has a player code of conduct in place.

Ownership risk due to the Club's reliance on shareholder funding to provide debt and equity

The Club, its auditors and the EFL/Premier League obtain annual commitments of funding

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 required Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Director continues to have the highest regard to the interest of the Group's employees, supporters, commercial partners, and other stakeholders in the wider community.

Club Employees

To ensure employee views are heard and understood we also continue to run regular all-staff meetings and our annual online staff survey. Employee wellbeing is a priority for the Club and our emphasis on this has only increased during the COVID crisis. To support employee mental health, the Club signed up to the Mindful Employee Charter in March 2020 and have offered online mindfulness training to all employees. Even though currently a Championship Club, we have achieved the Premier League Equality Standard, have run online equality training, and supported several employee initiatives including for Black History month, LGBTQ+ History month and International Women's Day. We are also recognised as a Disability Confident employer.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Supporter Engagement

The Club has a long-standing commitment to a formal consultative process with its supporters.

Through the 'All Together Town' panel, a minimum of four formal meetings are held a year - over and above the mandated two - with broader issues sent to the wider fanbase where necessary. These meetings cover important topics such as - but not limited to - match day experience, ticketing, Club strategy and catering. In addition to this formal process, the Club regularly holds meetings with organised supporter groups and individual fans on an ad-hoc basis where required.

The Club also conducts a thorough annual survey of its entire Season Card database, covering a wide variety of topics.

Commercial Relationships

As a club we have continued to support and engage with our supporters and business partners through the effects of the COVID-19 pandemic. We offered cash refunds for the games which were forced to be held behind closed doors on a pro rata basis to season card holders, hospitality members and advertisers as well as credits to be used against future purchases with the club.

We continue to engage with all commercial stakeholders through phone and weekly email communications to check on the wellbeing of them and their businesses throughout the COVID period to further reinforce our commitment to them as stakeholders of our club.

Community

The Huddersfield Town Foundation is the Club's Official Charity Partner, a formal decision made in January 2020 and undertakes to engage widely across the general communities of Kirklees and Calderdale as well as the HTAFC fan base to deliver a broad range of programmes and initiatives. The Foundation continues to grow and now turns over £1m, a feat achieved in less than 7 years of operation. During the recent season, the Club and the Foundation have worked to specifically address the inequalities in the community which have been further highlighted by the impact of the COVID-19 pandemic. The Club and the Foundation have a strong working relationship with cross over of Club Directors and the Club Chairman onto the Foundation Board of Trustees and an annual SLA in place which sees the Club provide in-kind support to ensure the Foundation's funding has greater impact on the front line.

The Foundation work to support the growth of the club fan base, support the Academy with learning and social action opportunities, utilise match days to raise awareness around local issues of the Foodbanks as well as offering health initiatives specifically targeted at HTAFC fans such as weight management and Sporting Memories. The Club facilitate several of the Foundation's fundraising efforts through Foundation take over games and the sale / donations from key products sold in the club merchandise channels. Player visits are undertaken to broaden both the reach and reputation of both the Foundation and HTAFC.

The Foundation supports the Club's work in the field of Equality, Diversity and Inclusion and played a key role in the achievement of the Premier League Intermediate Equality Standard and is a prominent asset on the ground promoting both the Foundation and the Club.

POST BALANCE SHEET EVENTS

Since the year end, the Club has acquired and disposed of a number of player registrations. The net income from these transactions is £24.9m.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

PROSPECTS FOR 2020/21

The Club has just completed its second season back in the EFL Championship and along with all football clubs, and indeed the wider world, is having to face the ongoing challenges of the COVID-19 global pandemic.

Clearly this will have a significant negative impact on the Club's finances. However, due to the cost management measures we've put in place, we are well prepared to weather the storm for the 2020/21 season, and thanks to the fantastic support of our loyal fan base, our supporter revenue remains strong. I want to personally thank all our fans for this support.

Football wages will decrease as legacy Premier League contracts continue to expire, and as our Academy continues to develop talent for the first team. During 2020/21, several academy players, including Kieran Phillips, Brahim Diarra, Ben Jackson, Romoney Crichlow, Patrick Jones and Etienne Camara have made their debuts for the first team.

As per 2019/20, going forward we will continue to reduce the debt owed to Dean Hoyle, whilst sustaining the Club as a going concern by continued receipt of the Premier League parachute award, prudent cost management and efficient trading in the transfer windows.

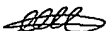
In July 2020, we took the decision to part company with Manager Danny Cowley and Assistant Manager Nicky Cowley. We were collectively very grateful for their hard work towards securing our Sky Bet Championship status, but also believed that this decision was the right one for the long-term interests of the Club.

Later in the same month, we appointed Carlos Corberán as the Club's new Head Coach ahead of the 2020/21 season. Carlos has a clear vision for the team that echoes the Board's, and the work he has put in since his appointment affirms our belief in that decision.

Once we have put COVID-19 behind us, I am excited to welcome our fantastic fans back into the stadium and to see the Club continue to win games and make progress.

I would like to place on record my thanks to all the players, management, staff, supporters, partners and stakeholders as we continue to progress.

ON BEHALF OF THE BOARD:



.....
P J Hodgkinson - Director

Date: 09/09/2021
.....

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2020**

The director presents his report with the financial statements of the company and the group for the year ended 30 June 2020.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

P J Hodgkinson held office during the whole of the period from 1 July 2019 to the date of this report.

EMPLOYEE INVOLVEMENT

The group places considerable value on involving its employees in the evolution of the group, its policies and procedures. The participation of employees in contributing to the growth and development of the group is encouraged through meetings between management and staff and other regular communications.

DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, bearing in mind the respective, knowledge, skills, attributes, aptitudes and abilities of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

ENERGY AND CARBON REPORTING

The Group's (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). The regulation came into effect on 1 April 2019 and the Group is required to report the emissions and energy consumption for this year to 30 June 2020 to coincide with the financial reporting period.

	Consumption Kwh	Emissions kgCO₂e
Electricity	2,510,302	614,928
Gas	3,126,068	574,955
Total	5,636,370	1,189,883

	Miles	Emissions kgCO₂e
Company car (Scope 1)	16,734	4,823
Business travel (Scope 3)	95,202	29,149
Total	111,936	33,972

Following a total Group usage methodology 5,636,370kWh of purchased electricity and gas has been consumed in relation to the stadium and training ground, resulting in 1,189,883 kgCO₂e. Average emissions per SqM for the year was 37.20kgCO₂e and the Group aims to lower this where possible in future.

In addition, under scope 1 and 3 in relation to business miles travelled using Group owned and privately owned vehicles there were total emissions of 33,972kgCO₂e. Average emissions per travelling employee for the year was 2,264.80 kgCO₂e.

During the year steps were taken to reduce energy consumption, including reducing heating temperature in used areas of the stadium and the encouragement of car-pooling.

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2020**

DISCLOSURE IN THE STRATEGIC REPORT

The following information is not shown in the Report of the Directors as it is shown in the Group Strategic Report in accordance with S414C(11) of the Companies Act 2006:

- an indication of likely future developments in the business of the group.
- a statement summarising how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Revell Ward Limited, were appointed during the year and will be deemed to continue in office under the Companies Act 2006 s.487.

ON BEHALF OF THE BOARD:



.....
P J Hodgkinson - Director

09/09/2021
Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PURE SPORTS CONSULTANCY LIMITED

Opinion

We have audited the financial statements of Pure Sports Consultancy Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PURE SPORTS CONSULTANCY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page nine, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

In the previous accounting period the director of the company took advantage of the audit exemption under s477 of the Companies Act 2006. Therefore the prior period financial statements were not subject to audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PURE SPORTS CONSULTANCY LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Karen Borowski (FCA) (Senior Statutory Auditor)
for and on behalf of Revell Ward Limited
Chartered Accountants and Statutory Auditors
Bates Mill
Colne Road
Huddersfield
HD1 3AG

Date:09/09/2021.....

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

		Year Ended 30.6.20		Period 1.4.19 to 30.6.19 (Unaudited)	
	Notes	£	£	£	£
TURNOVER	3		52,737,622		-
Cost of sales			<u>73,198,305</u>		<u>-</u>
GROSS LOSS			(20,460,683)		-
Administrative expenses			<u>10,062,041</u>		<u>229</u>
			(30,522,724)		(229)
Other operating income	4		<u>6,250,373</u>		<u>-</u>
OPERATING LOSS	6		(24,272,351)		(229)
Profit on sale of players' registrations	7		<u>18,078,627</u>		<u>-</u>
			(6,193,724)		(229)
Income from other participating interests		(229,260)		-	
Interest receivable and similar income		<u>730,780</u>		<u>-</u>	
			<u>501,520</u>		<u>-</u>
			(5,692,204)		(229)
Interest payable and similar expenses	8		<u>4,329,973</u>		<u>-</u>
LOSS BEFORE TAXATION			(10,022,177)		(229)
Tax on loss	9		<u>-</u>		<u>-</u>
LOSS FOR THE FINANCIAL YEAR			(10,022,177)		(229)
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR			<u>(10,022,177)</u>		<u>(229)</u>
Loss attributable to:					
Owners of the parent			(7,898,926)		(229)
Non-controlling interests			<u>(2,123,251)</u>		<u>-</u>
			<u>(10,022,177)</u>		<u>(229)</u>

The notes form part of these financial statements

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Total comprehensive loss attributable to:		
Owners of the parent	(7,898,926)	(229)
Non-controlling interests	<u>(2,123,251)</u>	<u>-</u>
	<u>(10,022,177)</u>	<u>(229)</u>

The notes form part of these financial statements

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

CONSOLIDATED BALANCE SHEET
30 JUNE 2020

		30.6.20		30.6.19 (Unaudited)	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	11		39,522,575		9,922
Tangible assets	12		12,496,051		-
Investments	13				
Interest in joint venture			4,911,229		-
Other investments			<u>2</u>		<u>-</u>
			56,929,857		9,922
CURRENT ASSETS					
Stocks	14	223,589		-	
Debtors: amounts falling due within one year	15	9,020,850		-	
Debtors: amounts falling due after more than one year	15	6,734,464		-	
Cash at bank and in hand		<u>10,626,058</u>		<u>1,000,049</u>	
		26,604,961		1,000,049	
CREDITORS					
Amounts falling due within one year	16	<u>69,647,448</u>		<u>1,010,190</u>	
NET CURRENT LIABILITIES			<u>(43,042,487)</u>		<u>(10,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,887,370		(219)
CREDITORS					
Amounts falling due after more than one year	17		<u>27,256,864</u>		<u>-</u>
NET LIABILITIES			<u>(13,369,494)</u>		<u>(219)</u>

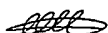
The notes form part of these financial statements

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

CONSOLIDATED BALANCE SHEET - continued
30 JUNE 2020

		30.6.20		30.6.19 (Unaudited)	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	21		10		10
Retained earnings	22		<u>(7,842,906)</u>		<u>(229)</u>
SHAREHOLDERS' FUNDS			<u>(7,842,896)</u>		<u>(219)</u>
NON-CONTROLLING INTERESTS			<u>(5,526,598)</u>		<u>-</u>
TOTAL EQUITY			<u><u>(13,369,494)</u></u>		<u><u>(219)</u></u>

The financial statements were approved by the director and authorised for issue on 09/09/2021 and were signed by:



.....
P J Hodgkinson - Director

The notes form part of these financial statements

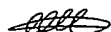
PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

COMPANY BALANCE SHEET
30 JUNE 2020

		30.6.20	30.6.19 (Unaudited)
	Notes	£	£
FIXED ASSETS			
Intangible assets	11	9,922	9,922
Tangible assets	12	-	-
Investments	13	<u>5,025,000</u>	<u>-</u>
		5,034,922	9,922
CURRENT ASSETS			
Cash at bank	4		1,000,049
CREDITORS			
Amounts falling due within one year	16	<u>5,035,190</u>	<u>1,010,190</u>
NET CURRENT LIABILITIES		<u>(5,035,186)</u>	<u>(10,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(264)</u>	<u>(219)</u>
CAPITAL AND RESERVES			
Called up share capital	21	10	10
Retained earnings	22	<u>(274)</u>	<u>(229)</u>
SHAREHOLDERS' FUNDS		<u>(264)</u>	<u>(219)</u>
Company's loss for the financial year		<u>(45)</u>	<u>(229)</u>

09/09/2021

The financial statements were approved by the director and authorised for issue on and were signed by:



.....
P J Hodgkinson - Director

The notes form part of these financial statements

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2019	10	-	10	-	10
Changes in equity					
Total comprehensive loss	-	(229)	(229)	-	(229)
Balance at 30 June 2019	10	(229)	(219)	-	(219)
Changes in equity					
Total comprehensive loss	-	(7,898,926)	(7,898,926)	(2,123,251)	(10,022,177)
Acquisition of non-controlling interests	-	56,249	56,249	(56,251)	(2)
Non-controlling interest arising on business combination	-	-	-	(3,347,096)	(3,347,096)
Balance at 30 June 2020	10	(7,842,906)	(7,842,896)	(5,526,598)	(13,369,494)

The notes form part of these financial statements

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	10	-	10
Changes in equity			
Total comprehensive income	-	(229)	(229)
Balance at 30 June 2019	10	(229)	(219)
Changes in equity			
Total comprehensive income	-	(45)	(45)
Balance at 30 June 2020	10	(274)	(264)

The notes form part of these financial statements

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

		Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited) £
	Notes	£	
Cash flows from operating activities			
Cash generated from operations	29	23,908,797	(229)
Tax paid		<u>23,559</u>	<u>-</u>
Net cash from operating activities		<u>23,932,356</u>	<u>(229)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(29,602,318)	(9,922)
Purchase of tangible fixed assets		(2,292,068)	-
Purchase of fixed asset investments		(60,000)	-
Sale of intangible fixed assets		20,007,229	-
Acquisition of subsidiaries (net of cash acquired of £13,766,016)		11,241,016	-
Interest received		<u>450,836</u>	<u>-</u>
Net cash from investing activities		<u>(255,305)</u>	<u>(9,922)</u>
Cash flows from financing activities			
New loans in year		2,109,000	1,000,190
Loan repayments in year		(13,095,891)	-
Amount introduced by directors		-	10,000
Interest paid		<u>(3,064,151)</u>	<u>-</u>
Net cash from financing activities		<u>(14,051,042)</u>	<u>1,010,190</u>
Increase in cash and cash equivalents		<u>9,626,009</u>	<u>1,000,039</u>
Cash and cash equivalents at beginning of year	30	<u>1,000,049</u>	<u>10</u>
Cash and cash equivalents at end of year	30	<u><u>10,626,058</u></u>	<u><u>1,000,049</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF COMPLIANCE

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The group is reliant on the support of Phil Hodgkinson, the 100% shareholder of the group. The nature of the group's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The Football Club has prepared projected cash flow information for the period ending 12 months from the date of signature on the Balance Sheet. The projected cash flows have been sensitised to take into consideration variants on the impact of the Covid-19 pandemic and the return to live crowds. A number of other sensitivities have been applied and the director has reviewed the various scenarios and approved the forecasts. Phil Hodgkinson has indicated that he intends to continue to support the group by introducing funds where required and therefore he considers it appropriate to prepare the financial statements on the going concern basis.

Basis of consolidation

The Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement include the financial statements of the company and all of its subsidiary undertaking for the year ended 30 June 2020.

The results of subsidiaries sold or acquired during the year are included in the Consolidated Statement of Comprehensive Income up to, or from, the date control passes. Changes in the controlling interest of a subsidiary that does not result in a loss of control are treated as transactions with equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest disposed of is recognised directly in equity.

Intra-group sales and profits are eliminated fully on consolidation.

Joint ventures

The group's share of profits less losses of joint ventures is included in the Consolidated Statement of Comprehensive Income up to, or from, the date of sale or acquisition. The group's share of their gross assets and liabilities is included in the Consolidated Balance Sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The group controls 40% of the share capital of Kirklees Stadium Development Limited indirectly via its subsidiary. The entity is accounted for as a joint venture due to the terms of the contractual agreement between shareholders.

The profit on sale of players' registrations can have a material impact on the group's financial statements each year. These are disclosed separately on the face of the Consolidated Statement of Comprehensive Income to provide further understanding of the financial performance of the group.

Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. The carrying amount of the estimates and assumptions at the year end are disclosed in the relevant note to the accounts.

Useful economic lives of intangible and tangible assets

The annual amortisation or depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the ageing profile and recent correspondence with the debtors and historical experience. Impairment losses are recognised in administrative expenses.

Long term credit arrangements

The effective interest method is used to measure long term credit arrangements. The financial asset or liability is measured at the present value of future payments discounted at an estimate of a market rate of interest based on the rates paid on other similar debt instruments.

Deferred taxation

The group has significant tax losses available to carry forward against future trading profits. A deferred tax asset has not been recognised in the current year based on forecasts for the coming year.

Termination benefits

Termination benefits are recognised when the group has committed to providing them to employees. They are measured at the best estimate required to settle the obligation at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Matchday and associated income is recognised in line with games played. TV & League income is recognised in the accounting period that includes the football season to which the income relates. Commercial income is recognised in line with contracted terms. Retail income is recognised at the point of sale to the customer. Lotteries income is recognised in line with the related prize draws.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities in the year ended 30 June 2020. It is being amortised evenly over its estimated economic life of 10 years.

Players' registrations

The costs associated with the acquisition of players' registrations or extending their contracts, including agents' fees, are capitalised as intangible fixed assets. These costs are amortised in equal annual instalments over the period of the respective players' contracts and charged to cost of sales expenses in the Consolidated Statement of Comprehensive Income. Where a contract life is renegotiated the unamortised costs, together with the new costs relating to the contract extension, are amortised over the new contract period. Players' registrations are written down for impairment, for example, following a career threatening injury, when the carrying amount exceeds the amount recoverable through use or sale.

Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified events. Liabilities in respect of these additional fees are accounted for when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Other 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separate from the entity.

Intangible assets recognised are not amortised until ready for use.

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 issues:

Website

Useful life of 3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- over lease term and 10% on cost
Short leasehold	- over lease term
Plant and machinery	- 20% on cost
Trophies	- 25% on cost
Motor vehicles	- 25% on cost
Fixtures, fittings and computer equipment	- 33% on cost and 20% on cost

Government grants

Government grants received are applied using the accrual model where they are compensation for expenses already incurred or for the purpose of giving immediate financial support with no future related costs. All such grants are recognised in income in the period in which they become receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks are valued using the first-in, first-out (FIFO) method. Impairment losses are recognised in cost of sales.

Financial instruments

The group has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

Short term debtors are measured at transaction price, less any impairment.

Short term creditors are measured at the transaction price.

Other financial assets and liabilities, including loans and long term credit arrangements, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Rental income received under operating leases is credited to income on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Signing on fees

Signing on fees are taken, as part of cost of sales, to the Income Statement in the year in which they are incurred. Where a player's registration is transferred, any signing on fees payable in respect of future periods is charged against the profit or loss on disposals of the player's registration in the period in which the disposal is recognised.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

General information

The company is a private company limited by shares and is incorporated in England and Wales, company registration number 09680325. The address of its registered office is Fourth Floor Building 8, Princes Parade, Liverpool, Merseyside, L3 1DL.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business for the year ended 30 June 2020 is given below:

	£
Matchday	4,066,178
TV & League	44,677,934
Commercial	2,399,910
Communications	115,529
Retail	1,064,145
Lotteries	413,926
	<u>52,737,622</u>

This analysis is not considered to be applicable to the period ended 30 June 2019.

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020**

4. OTHER OPERATING INCOME

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Academy grants and sponsorship	200,863	-
Loan player income	5,687,552	-
Government grants	<u>361,958</u>	<u>-</u>
	<u>6,250,373</u>	<u>-</u>

Government grants relate to amounts receivable in the year in respect of the Coronavirus Job Retention Scheme.

5. EMPLOYEES AND DIRECTORS

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Wages and salaries	26,476,800	-
Social security costs	3,530,477	-
Other pension costs	<u>246,433</u>	<u>-</u>
	<u>30,253,710</u>	<u>-</u>

The average number of employees during the year was as follows:

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
Players	77	-
Staff	<u>176</u>	<u>-</u>
	<u>253</u>	<u>-</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 225 (2019 - NIL).

The company has no employees or staff costs for the year ended 30 June 2020 nor for the year ended 30 June 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

5. EMPLOYEES AND DIRECTORS - continued

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Director's remuneration	-	-

6. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Rent	1,359,108	-
Depreciation - owned assets	1,743,339	-
Goodwill amortisation	1,529,796	-
Players' registrations amortisation	27,980,125	-
The auditing of accounts of any associate of the company	32,300	-
Taxation compliance services	8,725	-
Other assurance services	9,000	-
Other non- audit services	8,900	-
Impairment losses on player registrations	6,214,963	-
Bad debt expense	44,099	-

7. EXCEPTIONAL ITEMS

The profit on players' registrations includes profits of £18,120,281 and losses of £41,654.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Bank loan interest	1,696,800	-
Other interest	3,055	-
Other loan interest	1,900,899	-
Interest on player purchases	729,219	-
	<u>4,329,973</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

9. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2020 nor for the period ended 30 June 2019.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Loss before tax	<u>(10,022,177)</u>	<u>(229)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,904,214)	(44)
Effects of:		
Expenses not deductible for tax purposes	805,232	-
Depreciation in excess of capital allowances	10,660	-
Tax losses carried forward	1,038,928	44
Other timing differences	<u>49,394</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

The group has losses of approximately £65m available to carry forward against future trading profits. A deferred tax asset of £11.5m has not been recognised as it not deemed prudent given the potential volatility of future financial performance based on the on field results.

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Website £	Players' registrations £	Totals £
COST				
At 1 July 2019	-	9,922	-	9,922
Additions	15,291,290	-	14,093,542	29,384,832
Disposals	-	-	(15,651,958)	(15,651,958)
On acquisition of subsidiary	<u>10,000</u>	<u>-</u>	<u>88,097,249</u>	<u>88,107,249</u>
At 30 June 2020	<u>15,301,290</u>	<u>9,922</u>	<u>86,538,833</u>	<u>101,850,045</u>
AMORTISATION				
Amortisation for year	1,529,796	-	27,980,125	29,509,921
Eliminated on disposal	-	-	(11,649,774)	(11,649,774)
Impairments	-	-	6,214,963	6,214,963
On acquisition of subsidiary	<u>5,670</u>	<u>-</u>	<u>38,246,690</u>	<u>38,252,360</u>
At 30 June 2020	<u>1,535,466</u>	<u>-</u>	<u>60,792,004</u>	<u>62,327,470</u>
NET BOOK VALUE				
At 30 June 2020	<u>13,765,824</u>	<u>9,922</u>	<u>25,746,829</u>	<u>39,522,575</u>
At 30 June 2019 - unaudited	<u>-</u>	<u>9,922</u>	<u>-</u>	<u>9,922</u>

The impairment of players' registrations relates to the termination of certain players' contracts following the year end and is charged to cost of sales expenses in the Consolidated Statement of Comprehensive Income.

Company

	Website £
COST	
At 1 July 2019 and 30 June 2020	<u>9,922</u>
NET BOOK VALUE	
At 30 June 2020	<u>9,922</u>
At 30 June 2019 - unaudited	<u>9,922</u>

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

12. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Short leasehold £	Plant and machinery £
COST			
Additions	2,666,355	-	-
On acquisition of subsidiary	<u>12,665,979</u>	<u>650,000</u>	<u>386,069</u>
At 30 June 2020	<u>15,332,334</u>	<u>650,000</u>	<u>386,069</u>
DEPRECIATION			
Charge for year	1,290,170	21,667	19,201
On acquisition of subsidiary	<u>2,824,050</u>	<u>343,057</u>	<u>337,086</u>
At 30 June 2020	<u>4,114,220</u>	<u>364,724</u>	<u>356,287</u>
NET BOOK VALUE			
At 30 June 2020	<u>11,218,114</u>	<u>285,276</u>	<u>29,782</u>

	Trophies £	Motor vehicles £	Computer equipment £	Totals £
COST				
Additions	-	-	53,077	2,719,432
On acquisition of subsidiary	<u>306,190</u>	<u>25,950</u>	<u>2,343,980</u>	<u>16,378,168</u>
At 30 June 2020	<u>306,190</u>	<u>25,950</u>	<u>2,397,057</u>	<u>19,097,600</u>
DEPRECIATION				
Charge for year	830	2,938	408,533	1,743,339
On acquisition of subsidiary	<u>303,700</u>	<u>16,648</u>	<u>1,033,669</u>	<u>4,858,210</u>
At 30 June 2020	<u>304,530</u>	<u>19,586</u>	<u>1,442,202</u>	<u>6,601,549</u>
NET BOOK VALUE				
At 30 June 2020	<u>1,660</u>	<u>6,364</u>	<u>954,855</u>	<u>12,496,051</u>

All of the tangible fixed assets are pledged as security against the other loans.

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

13. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £	Unlisted investments £	Totals £
COST			
Additions	5,140,489	2	5,140,491
Share of profit/(loss)	(229,260)	-	(229,260)
At 30 June 2020	<u>4,911,229</u>	<u>2</u>	<u>4,911,231</u>
NET BOOK VALUE			
At 30 June 2020	<u>4,911,229</u>	<u>2</u>	<u>4,911,231</u>

Interest in joint venture

Income from participating interests includes depreciation charges of £307,742.

Company

	Shares in group undertakings £
COST	
Additions	<u>5,025,000</u>
At 30 June 2020	<u>5,025,000</u>
NET BOOK VALUE	
At 30 June 2020	<u>5,025,000</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

The Huddersfield Town Association Football Club Limited

Registered office: The John Smith's Stadium, Stadium Way, Leeds Road, Huddersfield, West Yorkshire, HD1 6PX
Nature of business: Professional football club

Class of shares:	% holding
Ordinary	75.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

13. FIXED ASSET INVESTMENTS - continued

Huddersfield Canalside Limited

Registered office: The John Smith's Stadium, Stadium Way, Leeds Road, Huddersfield, HD1 6PX

Nature of business: Non-trading subsidiary

	%
Class of shares:	holding
A Ordinary	100.00
B Ordinary	100.00

The group also holds 75,000 preference shares of £1 each.

The shareholding in A Ordinary and B Ordinary shares represents 100% of voting rights.

All shareholdings are indirectly held via The Huddersfield Town Association Football Club Limited.

Huddersfield Canalside Limited (company number 07337291) has taken advantage of the exemption from audit under section 479A of the Companies Act 2006.

Joint venture

Kirklees Stadium Development Limited

Registered office: The John Smith's Stadium, Stadium Way, Leeds Road, Huddersfield, HD1 6PX

Nature of business: Running of a sports stadium

	%
Class of shares:	holding
Ordinary	40.00

Kirklees Stadium Development Limited is a joint venture indirectly held via The Huddersfield Town Association Football Club Limited. Kirklees Stadium Development Limited has an accounting year end of 31 July 2020. The consolidated accounts only include the results of the joint venture up to 30 June 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

13. FIXED ASSET INVESTMENTS - continued

On 3 July 2019, the company acquired 75% of the share capital of The Huddersfield Town Association Football Club Limited, and its subsidiary company. The acquisition method of accounting has been used to prepare the consolidated financial statements.

The principal activity of the group acquired is that of a professional football club.

Cost of the acquisition

	£
Cash consideration	2,525,000
Deferred consideration	<u>2,500,000</u>
Cost of investment	<u>5,025,000</u>

Recognised amounts of identifiable assets acquired and liabilities assumed

	£
Intangible fixed assets	49,854,889
Fixed assets	11,519,958
Investments	5,080,491
Stocks	299,568
Trade and other debtors	38,289,429
Cash and cash equivalents	13,766,016
Trade and other creditors	(132,423,737)
Non-controlling interests	<u>(75,001)</u>
Total identifiable liabilities	<u>(13,688,387)</u>
75% acquired liabilities	<u>(10,266,290)</u>
Total consideration	<u>5,025,000</u>
Goodwill	<u>15,291,290</u>

The goodwill is being amortised over a period of 10 years.

The subsidiary group acquired contributed turnover of £52,737,622 and a net loss of £6,369,752 to the Consolidated Statement of Comprehensive Income for the period.

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

14. STOCKS

	Group	
	30.6.20	30.6.19 (Unaudited)
	£	£
Finished goods	<u>223,589</u>	<u>-</u>

Finished goods are stated after provisions for impairment of £161,503.

15. DEBTORS

	Group	
	30.6.20	30.6.19 (Unaudited)
	£	£
Amounts falling due within one year:		
Trade debtors	8,427,635	-
Other debtors	237,040	-
Prepayments and accrued income	<u>356,175</u>	<u>-</u>
	<u>9,020,850</u>	<u>-</u>
Amounts falling due after more than one year:		
Trade debtors	<u>6,734,464</u>	<u>-</u>
Aggregate amounts	<u>15,755,314</u>	<u>-</u>

Trade debtors are stated after provisions for impairment of £267,445.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.20	30.6.19 (Unaudited)	30.6.20	30.6.19 (Unaudited)
	£	£	£	£
Bank loans and overdrafts (see note 18)	27,038,000	-	-	-
Other loans (see note 18)	9,665,573	1,000,190	5,025,190	1,000,190
Trade creditors	8,318,552	-	-	-
Tax	23,559	-	-	-
Social security and other taxes	6,210,756	-	-	-
Other creditors	47,917	10,000	10,000	10,000
Accruals and deferred income	17,081,737	-	-	-
Deferred season ticket income	<u>1,261,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>69,647,448</u>	<u>1,010,190</u>	<u>5,035,190</u>	<u>1,010,190</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Accruals and deferred income include amounts totalling £1,017,460 relating to termination benefits.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	30.6.20	30.6.19 (Unaudited)
	£	£
Other loans (see note 18)	25,888,353	-
Trade creditors	578,511	-
Accruals and deferred income	790,000	-
	<u>27,256,864</u>	<u>-</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.20	30.6.19 (Unaudited)	30.6.20	30.6.19 (Unaudited)
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	27,038,000	-	-	-
Other loans	<u>9,665,573</u>	<u>1,000,190</u>	<u>5,025,190</u>	<u>1,000,190</u>
	<u>36,703,573</u>	<u>1,000,190</u>	<u>5,025,190</u>	<u>1,000,190</u>
Amounts falling due between one and two years:				
Other loans	<u>9,681,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Other loans	<u>12,789,331</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Other loans	<u>3,417,175</u>	<u>-</u>	<u>-</u>	<u>-</u>

Included within other loans is a £34m loan which incurs no interest and has therefore been discounted as a financing transaction at 5.5%. The final repayments of this loan are conditional on events occurring within the group which are deemed likely to occur in more than five years. Following the year end the repayments of this loan have been restructured as detailed in note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.6.20	30.6.19 (Unaudited)
	£	£
Within one year	262,500	-
Between one and five years	1,187,978	-
In more than five years	<u>5,322,315</u>	<u>-</u>
	<u><u>6,772,793</u></u>	<u><u>-</u></u>

Group

The group has an annual commitment under a non-cancellable operating lease in respect of the stadium that expires in May 2143. The annual commitment is calculated by reference to the number of spectators at matches and similarly of the other tenant. The amount paid during the year was £1,062,095.

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	30.6.20	30.6.19 (Unaudited)
	£	£
Bank loan	27,038,000	-
Other loan	<u>30,528,736</u>	<u>-</u>
	<u><u>57,566,736</u></u>	<u><u>-</u></u>

The right to the central funds distribution for the 2020/21 season have been assigned to the creditor for repayment of the bank loan.

The other loan is included within creditors at a discounted value as it has been accounted for as a financing transaction. The amount of the other loan secured at the year end is £34m. It is secured by a debenture dated 3 July 2019 which creates a fixed charge over all of the tangible fixed assets, investments and debts of the football club and a floating charge over the other assets of the club.

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020**

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.6.20	30.6.19 (Unaudited)
Number:	Class:			
10	Ordinary	£1	£ <u>10</u>	£ <u>10</u>

There are no restrictions on the distribution of dividends or the repayment of capital.

22. RESERVES

Group

	Retained earnings £
At 1 July 2019	(229)
Deficit for the year	(7,898,926)
Acquisition of non-controlling interests	<u>56,249</u>
At 30 June 2020	<u>(7,842,906)</u>

Company

	Retained earnings £
At 1 July 2019	(229)
Deficit for the year	<u>(45)</u>
At 30 June 2020	<u>(274)</u>

Retained earnings - includes all current and prior period retained profits and losses.

23. PENSION COMMITMENTS

Included within other creditors are pension costs of £35,549 which are outstanding at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

24. CONTINGENT LIABILITIES

Under the terms of certain contracts for the purchase of players' registrations future payments may be due, dependent on the future success of the team and the future team selection of individual players. As of 30 June 2020 the maximum that could be payable is £0.74m.

Under the terms of certain player contracts future agent fees may be due if the player is still registered with the Club. As of 30 June 2020 the maximum that could be payable is £0.75m.

In addition to this future payments may be due relating to sell on clauses to previous clubs dependent on the sale price achieved.

25. CAPITAL COMMITMENTS

	30.6.20	30.6.19 (Unaudited)
	£	£
Contracted but not provided for in the financial statements	<u>85,000</u>	<u>-</u>

26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Entities over which the entity has control, joint control or significant influence

	30.6.20	30.6.19 (Unaudited)
	£	£
Sales to related parties	10,190	-
Recharges from related parties	351,532	-
Interest paid to related parties	4,625	-
Purchases from related parties	1,054,182	-
Loan capital repaid to related parties	34,790	-
Amount due to related party	<u>138,909</u>	<u>-</u>

Key management personnel of the entity or its parent (in the aggregate)

	30.6.20	30.6.19 (Unaudited)
	£	£
Loans received from related party	-	10,000
Amount due to related party	<u>10,000</u>	<u>10,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

26. RELATED PARTY DISCLOSURES - continued

Other related parties

	30.6.20	30.6.19 (Unaudited)
	£	£
Sales to related parties	154,500	-
Purchases from related parties	185,991	-
Recharges to related parties	530,472	-
Loan received from related parties	4,025,000	1,000,190
Payments received from related parties	703,846	-
Payments made to related parties	11,122,491	-
Amount due from related party	80,678	-
Amount due to related party	<u>39,087,690</u>	<u>1,000,190</u>

Included within the above loans is a £34m interest-free loan which has been accounted for as a financing transaction. The present value of the loan at the year end is £29,317,549 with notional interest of £1,896,274 being charged during the year.

27. POST BALANCE SHEET EVENTS

The arrangement put in place for the repayment of £34m of other loans to the group was restructured after the year end:

- £4m is repayable by 28 February 2022;
- £7m is repayable by 28 February 2023;
- £7m is repayable by 28 February 2024;
- £6m is repayable by 28 February 2025; and
- Final amounts of £4.5m and £5.5m are repayable on certain trigger events occurring

Following the year end, the group acquired the player registrations of Pipa, Naby Sarr, Danny Ward, Rolando Aarons, Danny Grant, Jayson Leutwiler, Sorba Thomas, Richard Keogh, Duane Holmes, Alex Vallejo, Yaya Sanogo, Oumar Niasse, Josh Ruffels, Lee Nicholls, Matty Pearson, Jordan Rhodes and Ollie Turton.

The group has disposed of the player registrations of Joel Coleman, Florent Hadergjonaj, Karlan Grant, Ramadan Sobhi, Elias Kachunga, Steve Mounie, Terence Kongolo, Colin Quaner, Jon Stankovic, Herbert Bockhorn, Adama Diakhaby, Ben Hamer, Danny Simpson, Jaden Brown, Christopher Schindler, Jayson Leutwiler, Alex Pritchard, Yaya Sanogo, Richard Stearman, Tommy Elphick, Oumar Niasse, Demeaco Duhaney and Richard Keogh.

28. CONTROLLING PARTY

The controlling party is P J Hodgkinson.

PURE SPORTS CONSULTANCY LIMITED (REGISTERED NUMBER: 09680325)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

29. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 30.6.20	Period 1.4.19 to 30.6.19 (Unaudited)
	£	£
Loss before taxation	(10,022,177)	(229)
Depreciation charges	31,253,260	-
Impairment of players' registrations	6,214,963	-
Profit on sale of players' registrations	(18,078,627)	-
Finance costs	4,329,973	-
Finance income	(501,520)	-
	13,195,872	(229)
Decrease in stocks	75,979	-
Decrease in trade and other debtors	25,701,265	-
Decrease in trade and other creditors	(15,064,319)	-
Cash generated from operations	23,908,797	(229)

30. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	<u>10,626,058</u>	<u>1,000,049</u>

Period ended 30 June 2019

	30.6.19	1.4.19
	(Unaudited)	
	£	£
Cash and cash equivalents	<u>1,000,049</u>	<u>10</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

31. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.19 £	Cash flow £	On acquisition £	At 30.6.20 £
Net cash				
Cash at bank and in hand	<u>1,000,049</u>	<u>(4,140,007)</u>	<u>13,766,016</u>	<u>10,626,058</u>
	<u>1,000,049</u>	<u>(4,140,007)</u>	<u>13,766,016</u>	<u>10,626,058</u>
Debt				
Debts falling due within 1 year	(1,000,190)	2,437,000	(38,140,383)	(36,703,573)
Debts falling due after 1 year	<u>-</u>	<u>8,549,891</u>	<u>(34,438,244)</u>	<u>(25,888,353)</u>
	<u>(1,000,190)</u>	<u>10,986,891</u>	<u>(72,578,627)</u>	<u>(62,591,926)</u>
Total	<u>(141)</u>	<u>6,846,884</u>	<u>(58,812,611)</u>	<u>(51,965,868)</u>