Registered number: 06632170

AFC BOURNEMOUTH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

AFC BOURNEMOUTH LIMITED

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AFC BOURNEMOUTH LIMITED

COMPANY INFORMATION

Directors

N C Blake
W P Foley II
J E Frevola

Registered number

06632170

Registered office

Vitality Stadium
Dean Court
Kings Park
Bournemouth
Dorset
England
BH7 7AF

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

AFC BOURNEMOUTH LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present the Strategic Report for AFC Bournemouth Limited (the "Company" or the "Club") for the year ended 30 June 2023.

Business review

The financial statements for the year ended 30 June 2023 cover a year in which the Club were competing in the Football Association Premier League for the first time since the 2019/20 season. The Club finished in fifteenth position in the Premier League with thirty-nine points. As a result, the Club maintained its position in the Premier League for the 2023/24 season.

During the financial year, the Club's focus was on improving football performance in the Premier League, while ensuring that the business was on a stable financial footing. In tandem with support from the Club's shareholder, a strategy of targeted expenditure on playing squad assets while developing supporting infrastructure and improving commercial operations enabled the team to remain in the Premier League for the seventh season in the Club's history and to grow turnover. The Club continues to be committed to constructing a state-of-the-art training facility at Canford Magna and at 30 June 2023 had invested £7.2m into that project. The Academy is already operating from the site which includes a new all-weather pitch and an indoor football facility and is benefiting from an upgrade in Category status from 3 to 2. The Club expects to complete the construction of the remainder of the facility in the next 12-18 months when all non-matchday football operations will be based at the Canford Magna site.

On 8 October 2022 a Sales Purchase Agreement was signed, contingent on the outcome of the Premier League owners and Directors test, leading to the transfer of shareholding of the Company to Turquoise Bidco Limited (“Turquoise”), a company controlled by Black Knight Football and Entertainment, LP and its general partner William P. Foley II. This transaction concluded successfully on 12 December 2022. On execution of the transaction, funds via a new shareholder loan from Turquoise of £89.8m were used to repay the same amount in loans due to A.FC.B. Enterprises Limited. Receipt of this amount was accepted as full and final settlement with all outstanding liabilities in excess of this amount due to A.FC.B. Enterprises Limited and Wintel Petrochemicals Limited fully discharged. The new shareholder loan from Turquoise is interest free, unsecured and with a repayment date of 12 December 2032.

On 7 February 2023 the Company completed on a £30m credit facility to fund the development of the training facility at the Canford Magna site.

Player registration cost additions for the year were £130.1m compared with £22.3m in the previous year. Registration cost disposals amounted to £2.2m compared with £70.8m in 2021/2022. The overall net disposals were therefore down on the previous year and resulted in increased amortisation costs of £41.2m (2022: £29.8m). There was an increase in total staff cost to £100.1m (2022: £61.4m) mostly due to the increased salaries paid as a result of the Club being a member of the Premier League.

Turnover was up by £87.8m to £141.0m (2022: £53.2m). This increase is mainly attributable to the increased distributions that flow to the Club as a result of full membership of the Premier League. Costs relating to football player and team management wages also increased. The Club strives to offer competitive remuneration packages to attract and maintain the calibre of playing and team management staff necessary to allow the Club to compete in the league, with the aim of achieving and maintaining Premier League status. The board of directors committed to a competitive level of remuneration for the 2022/23 season by issuing long term contracts to valuable players and sourcing other players by utilising the loan system to give the team the best possible chance of achieving its goals.

The Club recorded an operating profit of £52.1m (2022: loss of £48.7m) which included a gain on disposal of intangible fixed assets in respect of player sales of £1.9m (2022: £6.9m). The Club also recognised a gain of £71.4m (2022: £Nil) upon the write-off of shareholder loans.

Business review (continued)

The net result of the above has been a profit before taxation of £44.5m (2022: loss of £55.5m) predominantly due to the increase in Premier League revenues and shareholder loan write-off. The directors consider the financial position of the Company to be satisfactory at 30 June 2023.

The directors continue to look for ways to increase turnover as well as maintain close control over cash flow and continue to develop and maintain policies with the aim of ensuring the Club is run in a sustainable and successful manner. These policies are seen as vital in order to keep control over all expenditure that the Club commits to in order to mitigate the risks arising from the inherent uncertainty over league status in the following season.

During the year the following changes were made to key personnel in senior executive positions:

- William P. Foley II, who became the ultimate beneficial owner of the Club on 12 December 2022 also assumed the role of Chairman, through his appointment to the Board on the same date
- Jeff Mostyn resigned from the Board on 12 December 2022, after sixteen years at the Club, taking up a role as Club Ambassador
- Scott Parker left his role as Head Coach on 30 August 2022
- Gary O'Neil was appointed to the role of Head Coach on an interim basis on 30 August 2022 and then permanently on 26 November 2022. Gary subsequently left the Club on 19 June 2023
- Andoni Iraola was appointed to the role of Head Coach on 19 June 2023.

Events after the reporting period

After the year end, the Company acquired 5 players for a cost of £86.5m and disposed of 2 for a price of £1.1m, with an associated NBV of £1.4m. On 21 July 2023, President of Business Jim Frevola was appointed to the Board of Directors. On 1 August 2023 the shareholder converted £25.5m of shareholder loans to A Ordinary Shares of £1.00 each. In the period from 10 August 2023 through the date of this report, Turquoise loaned the club an additional £67.2m on the same terms as the other shareholder loans between Turquoise and the Club.

Section 172(1) statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Club under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company. The board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how AFC Bournemouth Limited directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the Company's business relationships with supporters, suppliers, customers and other, and the effect of those considerations, including on the principal decisions taken by the Company during the financial year.

The S172 statement focuses on matters of strategic importance to the Club, and the level of information disclosed is consistent with the size and the complexity of the business.

Section 172(1) statement (continued)

AFC Bournemouth Limited's board oversees all aspects of the business and due to its relatively small size and proximity to senior management, is able to make decisions in fast timeframes and good faith, demonstrating efficiency and acting in the best interests of the Company's shareholder and other stakeholders and in doing so have regards (among other matters) to:

A. "The likely consequences of any decision in the long term"

The directors understand the business and football sector in general and all relevant decisions consider the impact on the long-term success and sustainability of the football club. It is the aim of the Club to regularly compete in the Premier League and therefore its strategy is based around this ultimate goal.

B. "The Interests of the Company's employees"

The directors place a lot of emphasis of the success of the Company in the hands of the employees, recognising that success comes when employees are happy, engaged and focused. The Company, as a responsible employer, aims to pay employees a competitive remuneration package as well as ensuring that the working environment is safe and comfortable. The directors therefore factor the implications of decisions on employees and the wider workforce where relevant.

C. "The need to foster the Company's business relationships with suppliers, customers and others"

The success of the Club requires strong mutually beneficial relationships with supporters, other customers and suppliers. The Club's fans and commercial supporters are central to the operations of the Company and the board believes that fostering these relationships is hugely important in the overall success of the business. Board members and other senior management personnel regularly take part in discussions with supporter representatives and other groups to ensure that the interests of AFC Bournemouth Limited are fully aligned.

D. "The impact of the Company's operations on the community and the environment"

The football club is a central point of the community and is a strong representation of the conurbation as a whole. Exposure given while participating in the Premier League has meant that the football club and brand is now known throughout the world. The directors understand this and make decisions to strive to ensure that the Club makes a positive contribution to the local community and environment. The Community Sports Trust operation is heavily involved with a huge amount of interaction with local schools and other initiatives and its activities are very important to the board and football club as a whole. The Club's Greenhouse Gas Emissions data can be found in the Directors' Report and the directors will monitor this output and strive to lessen impact on the environment where possible.

E. "The desirability of the Company maintaining a reputation for high standards of business conduct"

The Company aims to meet all external requirements of economic, environmental and social responsibility. The board oversees and approves education and compliance with requirements such as National Minimum Wage, Mandatory Gender Pay Gap, Modern Slavery Statements and The Criminal Finances Act and strives to make decisions to uphold best practice business operations.

F. "The need to act fairly as between members of the Company"

The Company currently has one shareholder, so this consideration is not applicable at this time.

Principal risks and uncertainties

Playing success remains a key risk affecting the Club, with the primary aim of maintaining Premier League status and moving up the Premier League table. During the 2022/23 financial year, the Club continued its philosophy of investment in staff and facilities with the focus on progression of playing and non-playing staff. The utilisation of increasingly advanced sports science and medical methodologies and more developed training techniques facilitated this mindset. As one of the smallest clubs in the top echelons of the English football pyramid in terms of stadium size and revenues, such improvements are seen as vital by management in order to continue to improve and differentiate.

The Club is also aware of the risk associated with reliance upon finance from its shareholder to fund operations. However, the directors are confident that this risk is minimal, based on the ongoing commitment from its investor, commitment to improve playing success and Club turnover and recent positive developments within the business, which demonstrate the successful outputs resulting from the investment.

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, cash flow or financial position of the business.

The Strategic Report presented above is authorised by the Board on 13 December 2023 and signed on its behalf by:

N C Blake
Director

AFC BOURNEMOUTH LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and the audited financial statements of AFC Bournemouth Limited (the "Company" or the "Club") for the year ended 30 June 2023.

Principal activities

The Company's principal activity is the operation of a professional football club and related commercial activities.

Results and dividends

The profit for the financial year amounted to £44.5m (2022: loss of £55.5m).

The directors do not recommend the payment of a dividend (2022: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J A Mostyn	(resigned 12 December 2022)
N Rothwell	(resigned 12 December 2022)
R Seitz	(resigned 12 December 2022)
N C Blake	
W P Foley II	(appointed 12 December 2022)
J E Frevola	(appointed 21 July 2023)

Qualifying third party indemnity provisions

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last year and is currently in force.

Going concern

The directors consider it appropriate to adopt the going concern basis in preparing the financial statements. Further details underlying the adoption of this basis are given in note 2 to the financial statements.

Future developments

Since the year end the Club has invested in targeted recruitment of playing staff with the aim of competing at a high level and maintaining Premier League status at the end of the 2023/24 season and beyond.

Financial risk management

Credit risk

Credit risk relates primarily to the recoverability of trade debtors from commercial activities and cash held at bank. However, the Company monitors this closely and implements effective credit control procedures to reduce exposure to credit risk and monitors the financial stability of its bank and other financial institutions.

Liquidity risk

The Company is dependent on the financial support of its shareholder. To develop the Company's financial stability, the directors have continued to focus on operational efficiencies and to maximise cash inflow. In addition, the Club has effective procedures for budgeting and reporting, driving accuracy for decision making. It is also one of the Company's key priorities to ensure it meets its obligations to its creditors, through the monitoring of payment days and ensuring negotiated credit terms with suppliers are met.

Employee involvement

The Company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, on matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

Equality

The Club is committed to providing an environment in which no employee, candidate, supporter or participant in club activities is subject to unlawful discrimination, either directly or indirectly, on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex or sexual orientation.

To create conditions in which this goal can be realised, the Club is committed to identifying and eliminating unlawful discriminatory practices, procedures, and attitudes throughout the Club and in all its activities. The board and management expect staff to support this commitment and to assist in its realisation in all possible ways.

Further to this, the Club strives to make itself, its environs, and its activities such that all individuals and groups will feel welcomed, comfortable and safe.

In 2023, AFC Bournemouth Limited successfully completed a panel and assessment process to retain the Advanced Level of the Premier League Equality Standard, the highest award in the Premier League Equality, Diversity & Inclusion Standard (PLEDIS). The PLEDIS is set around four themes, which have been designed to foster improvements in policy and practice in addition to behavioural and cultural change across all areas of the Club. The Club has recently launched an Equality, Diversity and Inclusion (EDI) strategy, spanning the next ten years. The strategy will underpin the future, club wide approach to EDI and affirms our commitment to continued progress.

Please refer to the Strategic Report for details of the Company's Section 172(1) statement.

Greenhouse gas emissions

During the year, using the conversion factors recommended by the UK government, the Company has calculated its greenhouse gas emissions to be 911,000 tonnes (2022: 667,000 tonnes). This was calculated through collating data on all sources of energy usage that are controlled by the Club, from fuel used in transportation and groundworks, to electricity and gas usage. The Club's intensity ratio is 19.8 tonnes of CO2 per match played (2022: 12.8 tonnes).

UK and offshore	**2022-23**	2021-22
Energy consumption used to calculate emissions: kWh	**3,093,289**	2,955,281
Emissions from combustion of gas tCO2e (Scope1)	**220**	214
Emissions from combustion of fuel for transport purposes tCO2e (Scope 1)	**3**	3
Emissions from business travel in rental cars, chartered flights or employee owned vehicles where company is responsible for purchasing the fuel tCO2e (Scope 3)	**302**	105
Emissions from purchased electricity tCO2e (Scope 2)	**386**	345
Total gross tCO2e based on above	**911**	667
Intensity ratio: tCO2e per football match	**19.8**	12.8

This is the first season since the inception of mandatory Greenhouse Gas Reporting, that the Club has not been heavily affected by the Covid pandemic. Covid rules and restrictions previously led to erratic results.

Financial year 2022-23 included the sale of the Company to US based entity/individuals. This transaction gave rise to an increased amount of executive travel, both prior to sale and post-acquisition, to enable the new owner and support staff to seamlessly incorporate the business into the other entities in the group.

The geography of away games is also a determining factor to the CO2 emissions. Due to the Club's location, in order to maintain competitive parity with other teams in the league, the Club often uses charter flights to transport players to away fixtures in the north of the country. This is due to sports science advice and the fact that other methods of transport are not as efficient at delivering the Club's elite athletes in as good a physical condition.

AFC Bournemouth Limited makes consistent effort to minimise greenhouse gas emissions through shared transport and encouragement and sourcing of energy efficient practices.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statement with the registrar, whichever is earlier.

AFC BOURNEMOUTH LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2023

The Directors' Report presented above is authorised by the Board on 13 December 2023 and signed on its behalf by:

N C Blake
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFC BOURNEMOUTH LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, AFC Bournemouth Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102,"The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law): and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2023; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFC BOURNEMOUTH LIMITED (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Responsibilities for the financial statements and the audit (continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Premier League Profitability and Sustainability Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate extraction of cash from the business. Audit procedures performed by the engagement team included:

- Discussions with management throughout the year, as well as at year end. These discussions have included consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, including to cash.
- Incorporating elements of unpredictability into the audit procedures performed, including analysis of new suppliers set up post change in ownership and target testing a sample of material round sum payments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFC BOURNEMOUTH LIMITED (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Christopher Boreham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

Date: 13 December 2023

AFC BOURNEMOUTH LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	**2023** £000	2022 £000
Turnover	4	**140,983**	53,226
Other operating income	5	**2,035**	712
Exceptional other operating income	6	**71,444**	–
Profit on disposal of players' registrations	7	**1,898**	6,853
Staff costs	9	**(100,109)**	(61,381)
Depreciation and amortisation charge	7	**(42,710)**	(31,028)
Other operating expenses		**(21,471)**	(17,131)
Operating profit/(loss)		**52,070**	(48,749)
Interest receivable and similar income	11	**253**	889
Interest payable and similar expenses	12	**(7,828)**	(7,650)
Profit/(loss) before taxation		**44,495**	(55,510)
Tax on profit/(loss)	13	**–**	–
Profit/(loss) for the financial year		**44,495**	(55,510)

The notes on pages 19 to 37 form part of these financial statements.

AFC BOURNEMOUTH LIMITED
REGISTERED NUMBER: 06632170
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	14	**142,316**	54,996
Tangible assets	15	**14,983**	10,152
		157,299	65,148
Current assets			
Stocks	16	**642**	259
Debtors (amounts falling due after more than one year £Nil (2022: £5,174,000))	17	**11,832**	20,023
Cash at bank and in hand	18	**5,930**	1,218
		18,404	21,500
Creditors: amounts falling due within one year	19	**(195,194)**	(189,315)
Net current liabilities		**(176,790)**	(167,815)
Total assets less current liabilities		**(19,491)**	(102,667)
Creditors: amounts falling due after more than one year	20	**(76,587)**	(45,401)
Provisions for liabilities			
Other provisions	21	**(52)**	(91)
Net liabilities		**(96,130)**	(148,159)
Capital and reserves			
Called up share capital	22	**21,110**	21,110
Profit and loss account		**(117,240)**	(169,269)
Total shareholders' deficit		**(96,130)**	(148,159)

The financial statements on pages 15 to 37 were approved and authorised for issue by the board and were signed on its behalf by:

N C Blake
Director

Date: 13 December 2023

The notes on pages 19 to 37 form part of these financial statements.

AFC BOURNEMOUTH LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£000	£000	£000
At 1 July 2021	**21,110**	**(118,373)**	**(97,263)**
Comprehensive expense for the financial year			
Loss for the financial year	**–**	**(55,510)**	**(55,510)**
Total comprehensive expense for the financial year	**–**	**(55,510)**	**(55,510)**
Contributions by and distributions to owners			
Fair value adjustments on shareholder loans	**–**	**4,614**	**4,614**
Total transactions with owners	**–**	**4,614**	**4,614**
At 30 June 2022 and 1 July 2022	**21,110**	**(169,269)**	**(148,159)**
Comprehensive income for the financial year			
Profit for the financial year	**–**	**44,495**	**44,495**
Total comprehensive income for the financial year	**–**	**44,495**	**44,495**
Contributions by and distributions to owners			
Fair value adjustments on shareholder loans	**–**	**7,534**	**7,534**
Total transactions with owners	**–**	**7,534**	**7,534**
At 30 June 2023	**21,110**	**(117,240)**	**(96,130)**

The notes on pages 19 to 37 form part of these financial statements.

AFC BOURNEMOUTH LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	£000	£000
Cash flows from operating activities		
Profit/(loss) for the financial year	**44,495**	(55,510)
Adjustments for:		
Amortisation of intangible assets	**41,226**	29,786
Depreciation of tangible assets	**1,484**	1,242
Interest expense	**7,828**	7,650
Interest income	**(253)**	(889)
Increase in stocks	**(383)**	(24)
Increase in debtors	**(2,739)**	(544)
Increase in creditors	**4,335**	7,544
(Decrease)/increase in provisions	**(39)**	29
Interest paid	**(453)**	(4)
Gain on disposal of intangible assets	**(1,898)**	(6,853)
Exceptional other operating income	**(71,444)**	–
Reversal of impairment of tangible assets	**–**	(1,771)
Net cash generated from (used in) operating activities	**22,159**	(19,344)
Cash flows from investing activities		
Purchase of intangible assets	**(53,005)**	(43,581)
Sale of intangible assets	**14,715**	42,526
Purchase of tangible assets	**(6,315)**	(310)
Net cash used in investing activities	**(44,605)**	(1,365)
Cash flows from financing activities		
New secured loans	**22,800**	12,563
Other new loans	**115,261**	35,800
Repayment of other loans	**(110,903)**	(30,850)
Net cash generated from financing activities	**27,158**	17,513
Net increase in cash and cash equivalents	**4,712**	(3,196)
Cash and cash equivalents at the beginning of the financial year	**1,218**	4,414
Cash and cash equivalents at the end of the financial year	**5,930**	1,218
Cash and cash equivalents at the end of the financial year comprise:		
Cash at bank and in hand	**5,930**	1,218

The notes on pages 19 to 37 form part of these financial statements.

1 General information

AFC Bournemouth Limited (the "Company" or the "Club") is a private company limited by shares registered and domiciled in England & Wales. The Company's principal activity is the operation of a professional football club and related commercial activities.

Its trading and registered office address is Vitality Stadium, Dean Court, Kings Park, Bournemouth, Dorset, England BH7 7AF. The Company registration number is 06632170.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

The Company remains dependent on financial support from its shareholder, in order to remain a going concern. The Company's shareholder has committed to provide financial support to the Company for at least 12 months from the date of the signing of the Company's financial statements, in order for the Company to be able to meet its liabilities as they fall due and to realise the value of its assets. The directors have considered the Company's financial position, forecast cash flows and the availability of financial support from its shareholder and consider that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into the functional currency at the rate ruling on the date of the transaction. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within other operating expense.

2 Accounting policies (continued)

2.4 Turnover

Turnover represents income receivable net of VAT, from football and related commercial activities. Match and season ticket turnover, as well as hospitality and events revenue types are all recognised as games are played and events are staged. The fixed element of Premier League and English Football League distributions is recognised over the duration of the football season whilst facility fees for live coverage or highlights are recognised when earned. Merit awards, including those from The Premier League, are accounted for only when they are mathematically achieved, as the football season progresses. Sponsorship and advertising income is recognised over the duration of the respective contracts. Shop merchandise is recognised at point of sale and fees receivable in respect of the loan of players are included in other income and recognised evenly over the period of the loan. Income received prior to the financial year-end, but relating to the following season, is recognised as deferred income.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating leases are recognised on a straight line basis over the lease term.

2.6 Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

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

2.7 Interest income

Interest income relates to the effective interest on discounted long term player transfer fees due to the Club and are recognised in the Statement of Comprehensive Income.

2.8 Interest expense

Interest expense relates to the effective interest charge on discounted long-term player transfer fees and borrowings.

These items are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Multi-employer pension plan

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Under the provisions of FRS 102 'Retirement Benefits' the Scheme is treated as a defined benefit multi-employer scheme as the Scheme's actuary has advised the participating employers that their share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no further disclosures are made under the provisions of FRS 102.

2.10 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost or fair value if the associated consideration is subject to extended payment terms. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The third party costs associated with players' registrations or extending their contracts, including agents' fees and levies payable to the Premier League, are capitalised and amortised, in equal instalments, over the period of the respective players' contracts. 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. Amortisation is charged on a straight-line basis.

The single cash generating unit ("CGU") of the Company is the operation of the Company as a whole. An impairment charge is posted against the Company's intangible assets if it is determined that the carrying amount of the CGU is below the highest of its fair value less costs to sell and its value in use. The directors do not consider that it is possible to determine the value in use of an individual football player in isolation as that player, except in the case of sale or insurance recovery, cannot generate cash flows by themselves. While management does not consider any individual player can be separated from the single CGU there may be certain circumstances where a player is excluded from the CGU when it becomes clear that they will not play for the Club's first team again, for example following a career threatening injury or on being permanently removed from the first team squad for another reason. If such circumstances arise, the carrying value of the player is assessed against the Company's best estimate of the player's fair value less any costs to sell and an impairment charge is recorded in the Statement of Comprehensive Income reflecting any loss arising.

Under the conditions of certain transfer agreements, further fees will be payable to former clubs in the event of the purchased player concerned and/or the Club achieving a specified future event. Liabilities that are contingent on outcomes that are wholly determined by the Company, such as those dependent on the number of appearances by the player, are accounted for as trade creditors or accruals when the specified event has been achieved and capitalised to player registration costs. Other liabilities contingent on future events are provided for and capitalised to player registration costs when it becomes probable that the future event will occur.

Profits or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the player's registration, signing on fees, termination fees and any other amounts due to the player under contractual terms. Consideration that is dependent on future events is only recognised when its receipt is virtually certain.

Website and software costs are amortised at a rate of 20% per annum.

2 Accounting policies (continued)

2.12 Tangible assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold building	–	Asset not in use, useful life will be assessed by management when in use.
Land and buildings leasehold improvements	–	Between 5% and 15% per annum
Land	–	Not depreciated
Plant, machinery and vehicles	–	Between 15% and 33% per annum
Fixtures, fittings and equipment	–	Between 15% and 33% per annum
Assets under construction	–	Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell, after making due allowance for obsolete and slow-moving stocks. Any impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

2 Accounting policies (continued)

2.15 Financial instruments

The Company applies section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties. The Company has applied section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Player remuneration

Remuneration of players is charged in accordance with the terms of the applicable contractual agreements and any discretionary bonus is recorded when there is a legal or contractual obligation.

Player signing-on fees represent a normal part of the employment cost of the player and as such are recorded in prepayments and charged to the Statement of Comprehensive Income evenly over the term of the contract, except in the circumstances of a player disposal. In that case, any remaining signing on fees due are allocated in full against the profit on disposal of the player's registration in the year in which the player disposal is made.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting judgements in applying the Company's accounting policies

The directors consider that the critical judgements in applying the Company's accounting policies are:

(i) Determination of a single cash generating unit ("CGU")

As described in note 2.11 the single cash generating unit ("CGU") of the Company is the operation of the Company as a whole. With respect to intangible asset player registrations it is not considered possible to determine the value in use of an individual football player in isolation, other than in the exceptional circumstances described in note 2.11.

(ii) Recognition of liabilities for contingent payments to players and players' former clubs

Under the conditions of certain transfer agreements in respect of players purchased, further transfer fees are payable to former clubs in the event of the purchased player concerned and the Club achieving a specified future event. Liabilities contingent on outcomes that are wholly determined by the Company, such as those dependent on the number of appearances by the player, are accounted for as trade creditors or accruals when the specified event has been achieved. Other liabilities contingent on future events are accounted for, as provisions, when it becomes probable that the future event will occur. There are similar contingent contractual compensation arrangements with players and agents at the time of initial transfer or on subsequent contract renegotiation.

(iii) Recognition of liabilities for Corporation Tax

The Company has to make ongoing judgements regarding its tax position. Where a profit is forecast to be achieved during a financial period, an assessment needs to be carried out to understand if it can be relieved through various available offsets including utilising losses from prior years, other group companies and through other reliefs available. The Company will always seek the help of tax specialists when making these judgements. If it is considered that a tax payment will need to be made, after using all available measures to alleviate one, the Company will recognise a liability in its financial statements. This process involves estimates and judgements of income, expenditure and available reliefs in order to ascertain the most likely outcome. The Company has assessed that a claim for Intangible Asset Rollover Relief will be successful, in their judgement, based on the facts and circumstances in determining its tax liability and charge within the current year financial statements. The directors are confident the claim will be successful given HMRC have confirmed that the claim time limits can be extended due to the impact of Covid -19 on the timings of the conclusion of 2019/2020 season and subsequent transfer windows.

(b) The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that the directors consider have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Assumptions in calculating the fair value of long term monetary assets and liabilities

During the year the Company had an interest free fixed term loan and both trade debtors and creditors with extended payment terms. These are initially measured at the present value of their future cash flows and subsequently at amortised cost over the period of repayment. While the periods of repayment are determinable, an estimate of the interest rate to be used has to be made based on current market rates.

4 Turnover

An analysis of turnover by class of business is as follows:

	2023	2022
	£000	£000
Match and season ticket income	**5,414**	5,136
English football league and FA Cup income	**773**	4,948
Premier League income	**122,203**	37,886
Sponsorship and advertising	**8,652**	2,276
Hospitality and events	**2,267**	1,597
Shop merchandise	**1,354**	1,102
Other income	**320**	281
	140,983	53,226

All turnover arose within the United Kingdom.

5 Other operating income

	2023	2022
	£000	£000
Other operating income	**2,035**	712

Within other operating income, £2,014,000 (2022: £81,000) relates to amounts received for players on loan at other clubs.

6 Exceptional other operating income

	2023	2022
	£000	£000
Exceptional other operating income	**71,444**	–

On 8 October 2022 a Sales Purchase Agreement was signed, contingent on the outcome of the Premier League Owners and Directors test, leading to the transfer of shareholding of the Company to Turquoise Bidco Limited, a company controlled by Cannae Holdings Inc and William P. Foley II. This transaction concluded successfully on 12 December 2022. On execution of the transaction, funds via a new shareholder loan from Turquoise Bidco Limited of £89,779,000 were used to repay the same amount in loans due to A.FC.B. Enterprises Limited. Receipt of this amount was accepted as full and final settlement with all outstanding liabilities in excess of this amount due to A.FC.B. Enterprises Limited and Wintel Petrochemicals Limited fully discharged. This resulted in exceptional income of £71,444,000 in relation to the extinguishment of the previous shareholder loans due to A.FC.B. Enterprises Limited.

7 Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2023	2022
	£000	£000
Depreciation of tangible assets	**1,484**	1,242
Amortisation of intangibles	**41,226**	29,786
Impairment reversal of tangible assets	**–**	(1,771)
Profit on disposal of players' registrations	**(1,898)**	(6,853)
Exchange differences	**43**	195
Operating lease rentals	**792**	788

The profit or loss on the disposal of players' registrations is the difference between the book value of the player's registration at the time of disposal and the net consideration received at the time. Consideration that is contingent on future events is only recognised when its receipt is virtually certain.

8 Auditors' remuneration

	2023	2022
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	**75**	68
Fees payable to the Company's auditors in respect of:		
Audit-related assurance services	**32**	29
Taxation compliance services	**–**	10
Other services relating to taxation	**12**	12
All other services	**5**	4
	49	55

9 Staff costs

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£000	£000
Wages and salaries	**87,832**	54,019
Social security costs	**12,181**	6,970
Other pension costs	**96**	392
	100,109	61,381

9 Staff costs (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2023 Number	2022 Number
Playing staff and administration	**180**	168
School of excellence	**90**	86
Matchday staff	**372**	326
	642	580

10 Directors' remuneration

	2023 £000	2022 £000
Aggregate directors' remuneration	**2,290**	3,000
Company contributions to defined contribution pension schemes	**11**	7
	2,301	3,007

During the year retirement benefits were accruing to 2 directors (2022: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,064,000 (2022: £2,025,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2022: £2,000).

The directors consider key management to be the statutory directors of the Company.

Refer to note 26 for further details in respect of related party transactions.

11 Interest receivable and similar income

	2023 £000	2022 £000
Implied interest on trade debtors with extended terms	**253**	889

12 Interest payable and similar expenses

	2023 £000	2022 £000
Interest on bank loans	**265**	970
Implied interest on shareholder loans	**3,597**	5,513
Implied interest on trade creditors with extended payment terms	**3,966**	1,167
	7,828	7,650

13 Tax on profit/(loss)

	2023	2022
	£000	£000
Corporation tax		
Current tax on profit/(loss) for the financial year	**–**	–
Adjustments in respect of prior years	**–**	–
Total current tax	**–**	–

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%). The differences are explained below:

	2023	2022
	£000	£000
Profit/(loss) before taxation	**44,495**	(55,510)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	**9,121**	(10,547)
Effects of:		
Expenses not deductible	**1,001**	1,393
Income not taxable	**(14,644)**	(336)
Deferred tax not provided	**4,522**	9,490
Total tax charge for the financial year	**–**	–

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**		**Totals**	
	2023	2022	**2023**	2022	**2023**	2022
	£000	£000	**£000**	£000	**£000**	£000
Tax losses	**462**	1,840	**–**	–	**462**	1,840
Intangible assets	–	–	**(462)**	(1,840)	**(462)**	(1,840)
Total	**462**	1,840	**(462)**	(1,840)	**–**	–

13 Tax on profit/(loss) (continued)

A deferred tax liability arises due to the rollover of gains on disposal of player registration costs (which are recorded within intangible assets). A deferred tax asset on tax losses has been recognised in order to fully offset the deferred tax liability, resulting in a nil deferred tax position at year end.

Unrecognised deferred tax asset

The Company has an unrecognised deferred tax asset of £44,336,000 (2022: £35,620,000). This deferred tax asset is made up of taxable losses of £43,675,000 (2022: £34,811,000), fixed assets of £141,000 (2022: £278,000) and other timing differences of £520,000 (2022: £531,000). The Company's deferred tax asset has not been recognised at 30 June 2023 and 30 June 2022 as the Company does not have a history of making taxable profits.

14 Intangible assets

	Player registration costs	Website & Software	Total
	£000	£000	£000
Cost			
At 1 July 2022	**150,707**	**282**	**150,989**
Additions	**130,106**	**75**	**130,181**
Disposals	**(2,237)**	**–**	**(2,237)**
At 30 June 2023	**278,576**	**357**	**278,933**
Accumulated amortisation			
At 1 July 2022	**95,780**	**213**	**95,993**
Charge for the year	**41,195**	**31**	**41,226**
Disposals	**(602)**	**–**	**(602)**
At 30 June 2023	**136,373**	**244**	**136,617**
Net book value			
At 30 June 2023	**142,203**	**113**	**142,316**
At 30 June 2022	54,927	69	54,996

15 Tangible assets

	Land	Freehold building	Land and buildings leasehold improvements	Plant, machinery & vehicles	Fixtures, fittings & equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 July 2022	**3,991**	**1,914**	**10,023**	**357**	**3,533**	**–**	**19,818**
Additions	**–**	**1,491**	**295**	**41**	**688**	**3,800**	**6,315**
At 30 June 2023	**3,991**	**3,405**	**10,318**	**398**	**4,221**	**3,800**	**26,133**
Accumulated depreciation							
At 1 July 2022	**–**	**–**	**6,498**	**310**	**2,858**	**–**	**9,666**
Charge for the year	**–**	**188**	**918**	**17**	**361**	**–**	**1,484**
At 30 June 2023	**–**	**188**	**7,416**	**327**	**3,219**	**–**	**11,150**
Net book value							
At 30 June 2023	**3,991**	**3,217**	**2,902**	**71**	**1,002**	**3,800**	**14,983**
At 30 June 2022	3,991	1,914	3,525	47	675	–	10,152

16 Stocks

	2023	2022
	£000	£000
Finished goods and goods for resale	**642**	259

The difference between purchase price of stocks and their replacement cost is not material.

There is no stock provision (2022: £Nil).

17 Debtors

	2023	2022
	£000	£000
Trade debtors	**9,147**	17,776
Other debtors	**634**	309
Prepayments and accrued income	**2,051**	1,938
	11,832	20,023

Included in trade debtors are amounts in respect of football transfer fees due from former clubs and loan fees due from other football clubs. The undiscounted value of these is £6,174,000 (2022: £17,276,000), of which £Nil (2022: £5,412,000) are due in more than one year.

There is no bad debt provision (2022: £Nil).

Included within trade debtors is £Nil (2022: £5,174,000) due for payment in more than one year.

18 Cash at bank and in hand

	2023	2022
	£000	£000
Cash at bank and in hand	**5,930**	1,218

19 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Bank loans	**5,149**	10,970
Trade creditors	**37,660**	16,023
Amounts owed to group undertakings	**115,261**	135,432
Taxation and social security	**7,942**	2,242
Other creditors	**48**	49
Accruals	**22,456**	19,578
Deferred income	**6,678**	5,021
	195,194	189,315

19 Creditors: amounts falling due within one year (continued)

Included in trade creditors are amounts due in respect of football transfer fees payable to former clubs and loan fees due to other football clubs. The undiscounted value of these due within one year is £35,755,000 (2022: £14,323,000).

All amounts owed to group undertakings are due to the sole shareholder, Turquoise Bidco Limited (2022: £Nil). These are interest free loans, unsecured and repayable on demand with a final repayment date of 12 December 2032.

Prior year amounts owed to group undertakings were owed to former sole shareholder A.FC.B. Enterprises Limited (£161,568,000) and former group company Wintel Petrochemicals Limited (£3,593,000). These were fully settled prior to 30 June 2023.

Bank loans are provided by Macquarie Bank Limited and secured against future transfer receivables.

20 Creditors: amounts falling due after more than one year

	2023	2022
	£000	£000
Bank loans	**15,800**	8,164
Trade creditors	**44,328**	3,657
Amounts owed to group undertakings	**–**	29,729
Accruals and deferred income	**16,459**	3,851
	76,587	45,401

Included in trade creditors are amounts due in respect of football compensation and loan fees due to other football clubs. The undiscounted value of these due after more than one year is £54,669,000 (2022: £4,225,000).

Amounts owed to group undertakings due more in more than one year are £Nil. Previous year balance related to interest-free loans owed to the Company’s shareholder repayable in January 2024 and were settled prior to 30 June 2023.

Bank loans are secured by guarantors (£12,800,000) and against future Premier League receipts (£3,000,000), repayable in August 2024.

No amounts have a specified repayment date falling due after more than five years.

21 Other provisions

	Pension obligations
	£000
At 1 July 2022	**91**
Utilised in the year	**(39)**
At 30 June 2023	**52**

The Club is advised of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme ("the Scheme"). The most recent valuation of the whole Scheme was as at 31 August 2021 and this reported a deficit for the whole Scheme of £19.4m. The Club's share of this deficit at 30 June 2023 is £52,000 (2022: £91,000).

22 Called up share capital

	2023	2022
	£000	£000
Shares classified as equity		
Allotted and fully paid		
20,860 (2022: 20,860) Preference shares of £1,000 (2022: £1,000) each	**20,860**	20,860
125,002 (2022: 125,002) Ordinary A shares of £1 (2022: £1) each	**125**	125
125,002 (2022: 125,002) Ordinary B shares of £1 (2022: £1) each	**125**	125
	21,110	21,110

The Ordinary A shares and Ordinary B shares rank pari passu in all respects.

The Preference shares entitle the holders to receive notice of all general meetings but do not entitle the holders to attend or vote at any general meeting or to participation in the profits or assets of the Company. On winding up or repayment of capital, holders of the Preference shares shall be entitled to repayment of the capital paid up in those shares. This payment will be made in priority to holders of Ordinary A shares or Ordinary B shares.

23 Contingent liabilities

Under the conditions of certain transfer agreements in respect of players purchased, further transfer fees are payable to former clubs in the event of the purchased player concerned and the Club achieving a specified future event. Liabilities contingent on outcomes that are wholly determined by the Company, such as those dependent on the number of appearances by the player, are accounted for as trade creditors or accruals when the specified event has been achieved. Other liabilities contingent on future events are accounted for, as provisions, when it becomes probable that the future event will occur. There are similar contingent contractual compensation arrangements with players and agents at the time of initial transfer or on subsequent contract renegotiation. The Company's contingent liability for these matters at 30 June 2023 is estimated to be £31,851,000 (2022: £17,084,000) of which £15,469,000 (2022: £8,262,000) are in respect of compensation on transfer and loan agreements with other football clubs and £16,382,000 (2022: £8,822,000) are in respect of compensation to players, 1st team management and agents.

24 Pension commitments

The Company participates in a number of defined contribution pension schemes on behalf of certain employees. The assets of these schemes are held separately from those of the Company in independently administered funds. The charge for the year for schemes accounted for as defined contribution schemes was £96,000 (2022: £392,000).

25 Commitments under operating leases

At 30 June the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£000	£000
Not later than 1 year	**982**	766
Later than 1 year and not later than 5 years	**2,992**	2,780
Later than 5 years	**10,824**	11,339
	14,798	14,885

26 Related party transactions

The transfer of shareholding of the Company to Turquoise Bidco Limited a company controlled by Cannae Holdings Inc. and William P. Foley II, was completed on 12 December 2022. On execution of the transaction funds via a new shareholder loan from Turquoise Bidco Limited of £89,779,000 were used to repay the same amount in loans due to A.FC.B. Enterprises Limited. Receipt of this amount was accepted as full and final settlement with all outstanding liabilities in excess of this amount due to A.FC.B. Enterprises Limited and Wintel Petrochemicals Limited fully discharged. The new shareholder loan from Turquoise Bidco Limited is interest free, unsecured and with a repayment date of 12 December 2032.

As at 30 June 2023 the Company owed its parent company Turquoise Bidco Limited, a company registered in England and Wales, a non-interest bearing loan with a book and fair value of £115,261.000. This loan is repayable on demand.

As at 30 June 2023 the Company was owed £Nil (2022: £Nil) by its ultimate controlling party.

26 Related party transactions

During the year, the Company operated a loan account for director William P. Foley II to assist with personal expense management. The account was regularly cleared by the director throughout the period. Total expenses covered during the period amounted to £279,000.

As at 30 June 2023 the Company owed Vegas Golden Knights, a company with the same ultimate controlling party, £77,000 relating to intercompany transactions. This was fully settled after the year end.

During the year the Company transacted with Lorient Football Development Promotion SAS ('Lorient'), a company 40% owned by its immediate parent entity, through purchases of £20,000,000 and sales of £Nil. The balance owed to Lorient at 30 June 2023 was £15,825,000 (2022: £Nil).

As at 30 June 2023 the Company owed its former parent company A.FC.B. Enterprises Limited, a company registered in The British Virgin Islands, a non-interest bearing loan with a book and fair value of £Nil (2022: £161,568,000).

As at 30 June 2023 the Company owed Wintel Petrochemicals, who up until 12 December 2022 was a fellow group company with the same ultimate controlling party, a non-interest bearing loan with a book and fair value of £Nil (2022: £3,593,000).

The Company engaged Helix Fiduciary AG for a portion of the period, a firm under the control of two directors of AFC Bournemouth Limited, for consultancy work. This amounted to £75,000 of services supplied during the year.

27 Events after the reporting period

Subsequent to 30 June 2023 the playing registrations of certain players were acquired for a total consideration, including associated costs, of £86,526,000.

Also since 30 June 2023, the playing registrations of certain footballers have been disposed of, for total proceeds, net of associated costs, of £1,067,000. The associated net book value was £1,412,000.

On 21 July 2023, President of Business Jim Frevola was appointed to the Board of Directors.

On 1 August 2023 the shareholder converted £25,455,802 of shareholder loans to A Ordinary Shares of £1.00 each.

In the period from 10 August 2023 through the date of this report, Turquoise loaned the club an additional £67.2m on the same terms as the other shareholder loans between Turquoise and the Club.

28 Ultimate parent undertaking and controlling party

During the year the immediate parent undertaking changed upon the sale of the Company, dated 12 December 2022. Prior to the transaction, the immediate parent undertaking of the Company was A.FC.B. Enterprises Limited, a company registered in the British Virgin Islands. The ultimate parent undertaking was Fortuna Enterprises Limited, a company registered in the British Virgin Islands.

After completion of the transaction, the immediate parent undertaking is now Turquoise Bidco Limited, a company registered in England. The ultimate controlling individual is William P. Foley II.

Turquoise Bidco Limited, is the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Turquoise Bidco Limited are available at its registered address; Suite 1, 7th Floor 50 Broadway, London, England, SW1H 0BL.