REPORT & ACCOUNTS

2021/22

EVERTON
THE GEAR
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Everton
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EVERTON FOOTBALL CLUB COMPANY LIMITED

Annual Report & Accounts 2022

Registered Number 36624

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NOTE

The Foreword (pages 5 -6) does not form part of the statutory financial statements.

CHAIRMAN

BILL KENWRIGHT CBE

As the following accounts for 2021/22 were being prepared for publication, the Club was disappointed to learn of the Premier League's decision to refer it to an independent commission for an alleged Profit and Sustainability breach.

I cannot comment ahead of that commission, other than to say that the Club is confident it remains compliant with all of the Premier League's financial rules and regulations and has always provided information to them in an open and transparent manner. That the Club has always acted in good faith simply intensifies the disappointment experienced at last week's news – but, as already stressed, we will robustly defend our position.

The accounts which follow show a turnover of £181m, achieved despite the suspension of all commercial activities with Russian companies in March 2022. The Club has also significantly reduced its losses during the same timescale and has continued to make enormous and exciting progress on our future new home. The Everton Stadium continues to make a stunning new addition to the Mersey skyline.

I may have been castigated by some fans for sharing my opinion that I have enjoyed many times at Everton, and even though we have sadly been trophyless under my Chairmanship, it is with no fear of further criticism when I say two league games from last season's 38 will stay with me forever. Do I have to say more than that night against Crystal Palace? While the afternoon I stood alone in the stand at Leicester City after a monumental away win, listening to our outstanding travelling supporters sing passionately and enthusiastically - for a full 20 minutes after the game had ended!! - was inspiring, humbling and genuinely moving.

Memories of occasions like these has made the recent instruction given to myself and my fellow board members not to attend Goodison Park all the more painful.

That has hurt deeply.

We have also been forced into making some painful changes at the Club but, although we all dearly wanted manager Frank Lampard and his backroom team to succeed, ultimately a change became inevitable. We believe the start Sean Dyche has made to his time as our manager, not forgetting his admirable allies Steve Stone and Ian Woan, has already justified that decision.

We welcomed Kevin Thelwell to Everton in 2022 and he has recently celebrated his first year as our Director of Football, a period in which he has quietly and effectively made a series of significant changes to our footballing structure.

His first transfer window last summer and the introduction of players including James Tarkowski, Conor Coady, Amadou Onana, Dwight McNeil, plus the return of Idrissa Gana Gueye, was hugely applauded by our fan base.

While Sean and Kevin have been welcome additions to the Club, we have also lost some cherished members of the Everton Family since our last Annual Report.

Dr David Marsh was my chairman, my supporter and my friend. I miss him dearly following his passing last August.

We have sadly also lost some beloved former players, Terry Darracott, Neil Robinson, Billy Bingham (who also, of course, managed our Club), Mick Meagan, Jimmy Harris and David 'Doc' Johnson – and Christian Atsu, tragically, in that horrendous natural disaster in Turkey.

Looking forward we know we have challenges to overcome – the absolute priority is of course to secure our Premier League status for a 70th consecutive season – and we can all play a part in helping to secure that.

As we proved in the run-in to last season, a unified Football Club is a stronger Football Club.

COYB!

Chairman Bill

CHIEF EXECUTIVE

DENISE BARRETT-BAXENDALE MBE

The 2021/22 season was a challenging period for everyone at Everton Football Club on and off the field, but these accounts demonstrate that, just as we ended a difficult Premier League campaign with our status secure, the Club's financial position was also brighter.

We recorded a turnover figure of £181m despite the suspension of all commercial sponsorship arrangements with Russian companies. We also significantly reduced our losses and made rapid progress on the development of our new Everton Stadium.

Results and performances on the pitch meant it was necessary to make changes to our first-team management during the season. Frank Lampard and his staff – Joe Edwards, Paul Clement, Chris Jones and Ashley Cole - were appointed and proved a credit to themselves throughout their time at the Club. There was never a doubt in our minds as to their genuine affection for Everton and Evertonians and their determination to improve our fortunes. I and everybody at the Club remain enormously grateful for their focus, drive and determination in ensuring we ended the season with our Premier League status intact.

2021/22 was the first full season since the onset of the COVID-19 pandemic in which we were able to welcome fans back into stadiums in significant numbers. These accounts remind us of the significant impact the pandemic has had on our finances.

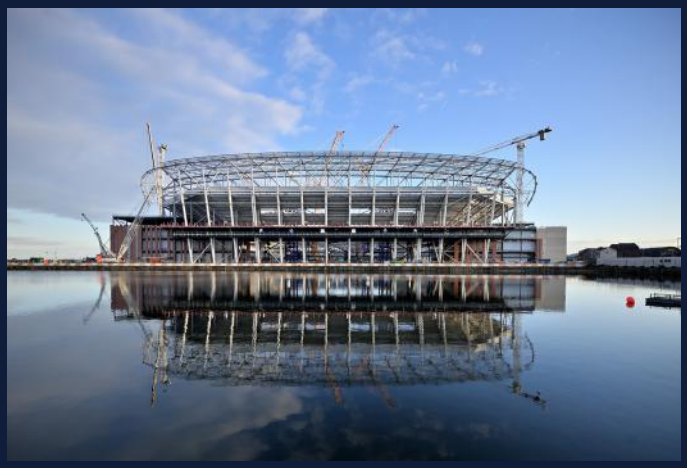
That impact has been £90.4m of crystallised losses – £67.3m across the 2020 accounts, £14.8m in 2021 and £8.3m in 2022. That is a huge figure, even before the uncrystallised financial impact is considered, not reflected in that £90.4m figure. These uncrystalised losses arise primarily from the significant deterioration in the player trading market; impacting the ability of the Club to generate material profits on player trading which also yield significant wage and amortisation savings.

Despite this, the Club remains in a secure financial position thanks to the continued support and commitment of our Majority Shareholder.

These accounts illustrate the pragmatism demonstrated in order to navigate the economic turmoil created by the pandemic, a global financial crisis and a war in Ukraine, resulting in an after-tax loss for the year of £44.7m - a reduction of 63 per cent on the previous year. The Club has continued to be completely open and transparent with the Premier League. As a result, we are extremely confident we remain compliant with the Premier League's profitability and sustainability rules.

Our total commercial revenue increased by £3.8m to £50.3m for the year. A number of new partnership deals were secured in the period on improved terms, including confirmation of the most lucrative shirt-sponsorship deal in the history of the Club.

The Club's net debt position has increased to £141.7m, due to investment in the playing squad and significant investment in the Everton Stadium project. The construction of our new home remains on schedule and on budget - something we can all be justifiably proud of.



The Stadium is a key part of our future - and will be a crown jewel in the English game. It will boost and safeguard Everton's ability to compete financially alongside this country's footballing elite - which will in-turn ensure we have the ability to field the strongest possible teams to represent our Club. The pace of the project's progression is underpinned by the unprecedented agreement that was sealed with our tier one contractor in 2022 to provide cost certainty in the most uncertain of times. That agreement is a key reason the development remains on track despite the economic obstacles I've already referenced.

The advancements made in our footballing operations since the appointment of Kevin Thelwell as our Director of Football in February 2022 have also been notable and, in the months and years to come, the fruits of that labour will become ever-more apparent.

Thank you.

Denise

DIRECTORS AND ADVISERS

W Kenwright CBE
Chairman

D Barrett-Baxendale MBE
Chief Executive

G Ingles
Chief Finance and Strategy Officer
(Appointed 14 July 2021)

G Sharp
Non-Executive Director
(Appointed 5 January 2022)

S Ismailov
Owner's Executive Representative
(Appointed 14 July 2021, resigned 2 November 2021)

M W Brands
Director of Football
(Resigned 3 December 2021)

A Ryazantsev
Chief Financial and Commercial Officer
(Resigned 27 August 2021)

Registered Office
Goodison Park
Liverpool
L4 4EL

Independent Auditor
Crowe U.K. LLP
Black Country House
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B69 2DG

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One Southampton Row
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Capita IRG
The Registry
Northern House
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Fenay Bridge
Huddersfield
West Yorkshire
HD8 0GA

Company Registration Number
36624

STRATEGIC REPORT
FINANCE AND COMMERCIAL REVIEW

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

The Group is also referred to as the "Club" throughout these financial statements.

The Club has several Key Performance Indicators across turnover, costs and profitability which are outlined below.

IMPACT OF THE COVID-19 PANDEMIC

For the third successive year, the COVID-19 pandemic has presented a profoundly difficult trading environment for all professional football clubs, and Everton is no exception. During the year ended 30 June 2022, the Club was again impacted by lost revenues and additional unforeseen costs as a direct result of the pandemic. Despite these substantial and unprecedented external challenges, the Club remains in a secure financial position, thanks to the continued unwavering support and commitment of the Majority Shareholder, and cost control measures continuously adopted by the Club.

Over the last three financial years the Club has lost a significant amount of revenue, across all of its revenue streams of broadcasting, commercial and matchday, and incurred significant additional costs, as a direct result of the COVID-19 pandemic. This has caused the current and previous financial periods' losses after tax as presented in the Annual Report and Accounts to show a materially different financial performance to that anticipated pre-Pandemic by the Club. Whilst some of these factors relate to timing differences due to the delayed completion of the 2019/20 season, the Club has experienced material revenue reductions and additional costs which cannot be recouped.

The crystallised impact of the COVID-19 pandemic on the financial results to 30 June 2022 is summarised as follows:

	2022	2021	2020	Total
	£m	£m	£m	£m
Lost Revenue	7.5	15.2*	33.2	56.0
Additional Costs	0.8	(0.4)**	34.1	34.5
Combined COVID-19 Impact	**8.3**	**14.8**	**67.3**	**90.4**

* 2021 Revenue represents the net impact of loss of revenue from staging games behind closed doors and loss of sponsorship income netted against the deferred income from 2020 falling into 2021 (revenue moved into 2021 from 2020 due to the delay in completion of the 2019/20 season).

**2021 Costs represents the net impact of incurred specific COVID-19 pandemic costs netted against the cost savings from staging 35 league games behind closed doors.

Please note the table above does not include uncrystallised COVID-19 pandemic related losses arising from the significant deterioration in the player trading market. The ability of the Club to generate material profits on player trading, which also yields significant wage and amortisation savings due to the players no longer being contracted to the Club, has unquestionably resulted in a material and negative impact on the Club across the last three reporting periods.

The Club is continuing to assess the uncrystallised financial impact caused by the COVID-19 pandemic and the Board of Directors strongly believe that a further substantial financial loss, not reflected in the £90.4m cumulative crystallised figure referred to above, has been incurred by the Club.

TURNOVER

The Club achieved turnover of £181m in the year ended 30 June 2022, which was £12.1m lower than the record achieved in the prior reporting period. This was achieved despite a significant drop in Broadcast income, which was a direct result of the Club's finishing position in season 2021/22. It should also be noted that the year ended 30 June 2021 benefited from £26m falling into its reporting period due to the 2019/20 season being completed in that financial reporting period.

	2022	2021	Change
	£m	£m	£m
Broadcasting	115.1	146.4	(31.3)
Gate receipts	15.6	0.2	15.4
Sponsorship, advertising and merchandising	35.0	35.5	(0.5)
Other commercial activities	15.3	11.0	4.3
Turnover	**181.0**	**193.1**	**(12.1)**

BROADCAST REVENUE

Total broadcast revenue decreased by £31.3m, primarily due to the delayed conclusion of the 2019/20 season falling into the prior financial year ended 30 June 2021 and the lower league position of 16th in the 2021/22 season versus 10th achieved in 2020/21.

A total of £17.2m would have been recognised in the year ended 30 June 2020 had the season been completed by May 2020. This revenue, net of broadcast rebates, related to seven games being played in July 2020. The non-repeat of this fall over revenue in the current period has led to the reduction of £17.2m in broadcast revenue.

50% of the domestic TV revenue is allocated to clubs based on the number of times they are selected for live domestic broadcast in the UK (facility fee) and their final Premier League position (merit payment). The Club was selected for live domestic broadcast on 22 occasions during the 2021/22 season (2020/21: 24) generating £19.2m in facility fees (2020/21: £21.6m). This represents a £2.4m decrease from two reduced picks on a season comparison basis.

The revenue generated from the Club's 16th placed league position finish in 2021/22 season was £10.3m, leading to a £13.5m reduction in comparison on a season basis to 2020/21 season (2020/21: £23.8m, 10th place).

The remainder of the domestic TV revenue is shared equally between each club and £31.8m has been recognised in year ended 2022, which is comparable with the 2020/21 season of £31.4m.

International TV revenue is recognised in two parts, with the largest portion being shared equally by all clubs representing £49.7m (2020/21: £48.3m). The remainder is distributed on a merit-based system according to the league position finish, with £1.8m recognised for the 16th place finish (2020/21 season: £4.6m, 10th place). The merit element is within the £10.3m referred to above.

STRATEGIC REPORT
FINANCE AND COMMERCIAL REVIEW

GATE RECEIPTS

Gate receipts revenue of £15.6m was generated from 19 Premier League matches and two home cup ties, as the season was completed with no behind closed door games. The Club progressed to the third round of the EFL Cup and achieved a quarter final appearance in the FA Cup. The prior period only contained gate receipt revenue of £0.2m, which was generated from just three Premier League matches and one League Cup quarter final being staged at Goodison Park in front of a restricted capacity crowd. The attendance at all of these matches was heavily restricted due to the COVID-19 pandemic, with the highest attendance reaching only 6,068 for the last Premier League home game of the 2020/21 season.

The Club continues to benefit from unwavering support from its supporters who have been so sorely missed during the pandemic impacted fixtures being played behind closed doors. The Club is extremely grateful for the continued strong Season Ticket sales and renewal rate at the end of the year ended 30 June 2022. Despite the Club making available the maximum permissible number of Season Tickets for sale under Premier League rules, demand for Season Tickets has, once again, significantly outstripped the available supply and the Club continues to operate a Season Ticket waiting list for supporters wishing to purchase a seat in the future.

SPONSORSHIP AND COMMERCIAL ACTIVITIES

The Club's sponsorship, advertising and merchandising revenue totalled £35.0m, which is comparable with the 2020/21 season of £35.5m. Aside from the 2019/20 season, where the sponsorship, advertising and merchandising revenue totalled £63.7m, as this revenue contained a one-off £30m option for the naming rights for our new stadium at Bramley-Moore Dock, the last two financial years have seen the Club's highest revenues achieved to date. This has been achieved despite the impact of the COVID-19 pandemic, demonstrating the Club's strong relationships with existing partners and also the Club's ability to gain additional commercial revenue even in the challenging pandemic environment.

The 2021/22 season was the second year of Hummel as technical kit partner and the second year of Cazoo as the new main partner. The Club's official partnership portfolio also included Fanatics, Socios, Turmeric, i8 Bet, Davanti Tyres, Parimatch, Molson Coors, Clarity Travel, Fratelli Beretta and Rushbet.

Total commercial revenue from sponsorship, advertising, merchandising and other commercial activities has grown from £15.8m to £50.4m over a 10-year period between 2011/12 and 2021/22 (12% compounded growth per annum).

During the season 2021/22 the Club also took the decision to suspend all commercial sponsorship arrangements with the Russian companies USM, Megafon and Yota.

As of 30 June 2022, the Club had more than 12.8m social media connections across Facebook (4.2m), Twitter (3m), Instagram (2.8m), as well as TikTok (1.5m), YouTube (635k), Weibo (829k), Douyin and Tiatiao. This total figure of 12.8m was a 17% increase on the following of 30 June 2021 (10.97m total social connections).

OPERATING EXPENSES (EXCLUDING PLAYER AND MANAGEMENT TRADING)

Operating expenses (excluding player and management trading) decreased to £205.5m (2020/21: £222.3m) which includes exceptional costs of £0.6m (2020/21: £7.2m). The overall savings of £16.7m represents the net of £20.6m saving in staff costs, £7.2m saving from no provision for onerous contracts raised in the period netted against the increase in operating costs of £10.8m, which was a direct consequence of the return to staging homes games no longer behind closed doors.

Continued significant investment made in the first team squad in recent years has resulted in increases seen in staff costs over previous periods. In the current period, staff costs have reduced by £20.6m as the Club looks to reduce the wage to turnover ratio going forward, whilst also ensuring that the first team squad remains as competitive as possible.

The Club's total wage to turnover ratio has reduced from 95% in 2020/21 to 90% in 2021/22. As in previous years, the ongoing outsourcing of the Club's retail and catering operations, which reduces turnover (and costs) when comparing to other clubs who manage these functions in-house also results in an artificially inflated wage to turnover ratio. The Club's total wage to turnover ratio would reduce accordingly from 92% in 2020/21 to 87% in 2021/22 if retail and catering operations were not outsourced.

The Club's other operating costs increased to £36.2m (2020/21: £25.4m) which was mainly driven by increased costs from staging fixtures at Goodison Park with fans in attendance. In the previous period only three Premier League home games had fans, however the highest attendance only reached 6,068 due to being heavily restricted due to the COVID-19 pandemic.

The Club has once again committed significant funds to the development of its new stadium, with the Club incurring a capital cost of £148.1m (2020/21: £20.3m). In the period the Club officially broke ground on the new stadium site at Bramley-Moore Dock that meant enabling works could be completed by the Club's construction partner, Laing O'Rourke.

In the Financial year ended 30 June 2022 a total of £0.6m operating exceptional costs were incurred (2020/21: £nil) relating to the revaluation of the Football League Pension scheme and payments relating amounts payable to former employees.

As a result of the above, the Club made an operating loss before player and management trading of £24.5m (2020/21: £29.2m) excluding player trading.

	2022	2021	Change
	£m	£m	£m
Turnover	**181.0**	**193.1**	**(12.1)**
Staff Costs	(162.0)	(182.6)	20.6
Other Operating Costs	(36.2)	(25.4)	(10.8)
Depreciation	(6.7)	(7.1)	0.4
Operating expenses (pre-player and management trading)	**(204.9)**	**(215.1)**	**10.2**
Amounts payable to former employees and Revaluation of Pension Scheme	0.6	-	(0.6)
Provision for Onerous Contract	-	(7.2)	7.2
Operating expenses - exceptional items (pre-player and management trading)	**(0.6)**	**(7.2)**	**6.6**
Operating loss (pre-player and management trading)	**(24.5)**	**(29.2)**	**4.7**

STRATEGIC REPORT
FINANCE REVIEW

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

PLAYER AND MANAGEMENT TRADING

Under the FRS 102 accounting standard, the Club is required to capitalise the cost of acquiring a player's registration (transfer and agent fees) and then amortise it over the length of the player's contract, effectively reducing the balance sheet value of a player over that time. No increase in the valuation of a player is permitted until that player is sold and a revised value is crystallised in the profit and loss account through a one-off profit or loss on disposal.

The Club has committed a significant investment into its playing squad during the previous five seasons, resulting in an amortisation charge of players' registrations of £68.3m during 2021/22 (2020/21: £81.2m).

The Club recognised an operating exceptional cost of £10.5m which was incurred for amounts payable in relation to a change in coaching staff. In the prior period the Club recognised an exceptional impairment charge of £15.3m in relation to player registrations, as well as a £7.2m provision for onerous contracts.

Profit on the disposal of player registrations was £67.7m, an increase of £54.5m on the previous year. It should be noted that the balance sheet value of the Club's playing squad of £148.9m at 30 June 2022, as calculated under FRS 102, was significantly lower than the insured value of the squad at the same point in time.

After player and management trading, the Club generated a loss before interest and taxation of £35.6m (2021: net loss £112.5m).

	2022	2021	Change
	£m	£m	£m
Operating loss (pre-player and management trading)	**(24.5)**	**(29.2)**	**4.7**
Amortisation of players' registrations	(68.3)	(81.2)	12.9
Impairment of player registrations	-	(15.3)	15.3
Amounts payable to former employees in relation to change in coaching staff	(10.5)	-	(10.5)
Profit on player trading	67.7	13.2	54.5
Player and management trading	**(11.1)**	**(83.3)**	**72.2**
Statutory Loss before interest and taxation	**(35.6)**	**(112.5)**	**76.9**
Interest and taxation	(9.1)	(8.5)	(0.6)
Statutory Loss	**(44.7)**	**(121.0)**	**76.3**
Impact Directly Attributable to COVID-19	8.3	14.8	(6.5)
Underlying Loss	**(36.4)**	**(106.2)**	**69.8**

After interest and taxation, the Club recorded a loss for the year of £44.7m (2020/21: loss of £121.0m). When adding back the crystallised financial impact of the COVID-19 pandemic, the underlying financial loss for the year was £36.4m (2020/21: loss of £106.2m).

The financial impact directly attributable to the COVID-19 pandemic is not considered to be part of the underlying reported loss because it is non-recurring in nature. In future financial periods we expect a return to the usual operating model. Therefore, in order to retain comparability, it is necessary to calculate an underlying loss before tax which excludes the impact of the COVID-19 pandemic.

BALANCE SHEET AND FUNDING

The Club once again invested into the men's senior first team squad in the Summer of 2021 and winter of 2022 with the permanent signings of Vitalii Mykolenko, Nathan Patterson, Demarai Gray, Andros Townsend, Dele Alli, Salomón Rondón and the loan signings of Anwar El Ghazi and Donny van de Beek. These resulted in additions to the Club's Intangible Assets of £54.5m. Despite these additions, the amortisation charged to the profit and loss account have resulted in a reduction in the Intangible Assets held on the balance sheet to £148.7m (2021: £209.7m). The Group once again also invested significantly into the women's first team squad through the additions of Hanna Bennison, Nathalie Bjorn, Toni Duggan, Anna Anvegard, Courtney Brosnan, Kenza Dali, Aurora Gali and Leonie Maier.

The Club's net asset position in 2021/22 was £234.4m (2019/20: £49.7m). The investment into the first team squad, as well as the operating performance described above, was partly funded by the majority shareholder. A share issue was also completed during the year that involved the capitalisation of £100m of shareholder loans previously made to the Club into 33,333 new shares. In accordance with FRS 102, the shareholder loan from Bluesky Capital Limited has been accounted for as equity. Bluesky Limited continued to support the Club post year end with an additional shareholder loan of £70.0m being received since 30 June 2022. This is reflected in Note 21 of the Report and Accounts as a Post Balance Sheet Event.

The Club's net debt position increased to £141.7m (2020/21: £58.2m) as a result of investment in the playing squad and significant investment in the New Stadium.

The Club successfully secured an increase of £50m to the existing five year credit facility with Rights and Media in the current period, which has the same repayment profile as the original £100m facility taken out in the period ending 30 June 2021.

We continue to proactively develop our long-term relationships with numerous financing institutions for strategic financing transactions.

G Ingles
Director

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk:

CASH FLOW RISK

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where possible, the Group uses foreign exchange forward contracts to help mitigate changes in exchange rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

CREDIT RISK

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

LIQUIDITY RISK

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

GOING CONCERN

As outlined in detail in the notes to the financial statements, the Directors recognise that there is uncertainty attached to the timing and quantum of the anticipated revenue levels, cost savings and the future funding required by the Group over the forecast period in a relegation scenario. Efforts are currently underway to secure funding as referenced in the Directors' report.

If the assumptions in the relegation scenario were not achieved, then the Group would have to seek further funding from its majority shareholder. They have provided a letter of support confirming ongoing financial support will be provided to the Group but this letter does not represent a legally binding commitment.

Collectively, the above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Board are confident in the Club's ability to remain in the Premier League and that should they be relegated funding will be secured or refinanced and that they will be able to achieve the necessary levels of revenue and savings to allow the Group to continue in operational existence for a period of 12 months after the date of signing these financial statements. However, whilst the Directors acknowledge these uncertainties cast significant doubt on the entity's ability to continue as a going concern, they still feel it is appropriate to prepare the financial statements on a going concern basis.

STRATEGIC REPORT

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors recognise their responsibility to act in a way which promotes the success of the company for all stakeholders and have evaluated how they have been engaged during the year.

SUPPORTERS

The continuing inspirational support given by our fans is truly humbling and we are incredibly grateful for our remarkable fanbase. The Club is committed to continuing engagement with supporters and holds monthly meetings with the Everton Fans' Forum and quarterly meetings with the Fan Advisory Board to discuss key initiatives and priorities and ensure Everton supporters are kept fully up to date with all Club issues.

COMMUNITY

The Club and its charity partner, Everton in the Community, through the positive promotion of sport, physical activity and the brand of Everton Football Club, are committed to providing high quality, accessible participant and development opportunities that positively change lives and bring enjoyment to our communities.

During the last two financial years both parties launched 'Blue Family', a coordinated outreach and engagement campaign to maintain contact with fans and provide vital support and assistance to some of the most vulnerable, socially isolated and at-risk members of the community in the wake of the coronavirus pandemic.

EMPLOYEES

The physical, mental and emotional wellbeing of all employees is of the upmost importance to the Club. We are committed to improving the lives of our colleagues and ensuring we improve their health and wellbeing. We have worked with the Workplace Wellbeing Charter to create a bespoke programme of support that is best suited to the Everton Family and our colleagues' needs.

Equality and Diversity is central to all employee considerations and the Club is proud to be a living wage accredited employer.

COMMERCIAL PARTNERS

The Directors recognise that positive relationships with commercial partners are essential for the continued growth aspirations of the Club. The Club ensures regular direct engagement is held with all partners to continue to promote strong and mutually beneficial business relationships.

KEY BOARD DECISIONS MADE IMPACTING STAKEHOLDERS IN THE YEAR ARE SET OUT BELOW:

- Significant financial resources were once again committed by the Board of Directors to the Club's new stadium project at Bramley-Moore Dock. This brings the total cumulative cost incurred on the Bramley-Moore Dock project to £206m.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Club is firmly committed to operating in a green and sustainable manner and takes its responsibilities in these areas extremely seriously. A campaign titled 'Everton for Change' that was launched in the 2019/20 season remains active to raise environmental awareness and explore new ways to make a positive impact on the planet.

Environmental awareness is embedded into the Club's day to day operations with several initiatives in place across operational sites including, but not limited to:

- Reduced energy consumption with the use of LED lighting, installation of lighting motion sensors and centrally controlled heating.
- Central waste and recycling points optimise the Club's capabilities. Food waste is collected and recycled for green energy, organic waste and other plant material is recycled into natural compost and the Club commits to using only organic fertilisers.
- A continual strive to reduce the consumption of single use plastics. Reusable carrier bags that are 100% recyclable are used in Club shops as well as reusable cups, wooden cutlery and paper straws being used on matchdays at Goodison Park.

The Club's energy usage in the year ending 30 June 2022 was 8.7 million kWH (2021: 7.6 million) and total UK emissions were 1,770 tCO2e (2021: 1,583). This represents an intensity ratio of 0.978 tCO2e per £100k of turnover (2021: 0.820).

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to remain consistent with 2021/22 in the forthcoming year. Details of significant events since the balance sheet date are contained in note 21 to the financial statements.

Approved by the Board and signed on its behalf by:

G Ingles
Director
27 February 2023
Goodison Park
Liverpool
L4 4EL

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the 12 month period ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the Group continues to be that of a professional football club. The Group has continued to develop the Everton brand and associated media rights.

RESULT FOR THE YEAR

The loss for the period amounted to £44.7m (2021: £120.9m), which has been withdrawn from reserves (2021: same). The Directors are not able to recommend the payment of a dividend (2021: same).

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report and form part of this report by cross-reference.

GOING CONCERN

As outlined in detail in the notes to the financial statements, the Directors recognise that there is uncertainty attached to the timing and quantum of the anticipated revenue levels, cost savings and the future funding required by the Group over the forecast period in a relegation scenario. Efforts are currently underway to secure funding as referenced in the Directors' report.

If the assumptions in the relegation scenario were not achieved, then the Group would have to seek further funding from its majority shareholder. They have provided a letter of support confirming ongoing financial support will be provided to the Group but this letter does not represent a legally binding commitment.

Collectively, the above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Board are confident in the Club's ability to remain in the Premier League and that should they be relegated funding will be secured or refinanced and that they will be able to achieve the necessary levels of revenue and savings to allow the Group to continue in operational existence for a period of 12 months after the date of signing these financial statements. However, whilst the Directors acknowledge these uncertainties may cast significant doubt on the entity's ability to continue as a going concern, they still feel it is appropriate to prepare the financial statements on a going concern basis.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the 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 that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings and the Company intranet. Employee representatives from the Staff Forum are consulted regularly on a wide range of matters affecting their current and future interests. The employee staff forum is open to all employees.

DIRECTORS

The Directors in office during the period and to the date of this report are disclosed on page 5 (Directors and Advisers section).

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DIRECTORS' INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

DIRECTORS' REPORT

AUDITOR

Crowe U.K. LLP were appointed as auditor in the current year by the Directors.

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

G Ingles
Director
27 February 2023
Goodison Park
Liverpool
L4 4EL

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON FOOTBALL CLUB COMPANY LIMITED

OPINION

We have audited the financial statements of Everton Football Club Company Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022, which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the 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's affairs as at 30 June 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1c in the financial statements, which indicates that should the club be relegated, it will require additional financial support from its majority shareholder, who themselves are reliant on support from their majority shareholder, who have indicated they are supportive of the group but the support is not legally or contractually binding. These matters indicate that a material uncertainty exists that may cast significant doubt over on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact..

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 Directors' report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on pages 13-14, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON FOOTBALL CLUB COMPANY LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

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

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the valuation of player registrations and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

USE OF OUR REPORT

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

Crowe Uk LLP

Mark Evans (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
28 February 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

		2022			2021		
		Operations excluding player and management trading	Player and management trading	Total	Operations excluding player and management trading	Player and management trading	Total
		£'000	£'000	£'000	£'000	£'000	£'000
	Notes						
Turnover	1,2	**181,007**	**-**	**181,007**	**193,143**	**-**	**193,143**
Operating expenses	3	(204,919)	(68,327)	(273,246)	(215,021)	(81,243)	(296,264)
Operating expenses - exceptional costs	3	(624)	(10,514)	(11,138)	-	(22,518)	(22,518)
		(205,543)	(78,841)	(284,384)	(215,021)	(103,761)	(318,782)
Operating loss	4	**(24,536)**	**(78,841)**	**(103,377)**	**(21,878)**	**(103,761)**	**(125,639)**
Profit on player trading		-	67,684	67,684	-	13,226	13,226
Profit on disposal of tangible fixed assets		20	-	20	-	-	-
Loss before interest and taxation		**(24,516)**	**(11,157)**	**(35,673)**	**(21,878)**	**(90,535)**	**(112,413)**
Interest receivable and similar income	5			1,414			522
Interest payable and similar charges	6			(10,473)			(9,043)
Loss before taxation				**(44,732)**			**(120,934)**
Tax on loss	8			-			-
Loss after taxation for the period withdrawn from reserves				**(44,732)**			**(120,934)**

All the above amounts derive from continuing operations.

There are no other items of income or expense for the period ended 30 June 2022 and the prior year other than as stated in the consolidated profit and loss account, accordingly no separate consolidated statement of comprehensive income is given.

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2022

	Notes	30 June 2022 £'000	30 June 2022 £'000	30 June 2021 £'000	30 June 2021 £'000
Fixed assets					
Intangible assets	10		148,932		209,849
Tangible assets	11		181,092		36,895
			330,024		**246,744**
Current assets					
Debtors					
- Due within one year	14	99,072		20,700	
- Due after one year	14	78,258		272	
Cash at bank and in hand		32,395		70,059	
		209,725		**91,031**	
Creditors - amounts falling due within one year	15	(126,387)		(121,790)	
Net current assets / (liabilities)			**83,338**		**(30,759)**
Total assets less current liabilities			**413,362**		**215,985**
Creditors - amounts falling due after more than one year	16		(174,163)		(151,995)
Provision for liabilities	17		(4,834)		(14,241)
Net assets			**234,365**		**49,749**
Capital and reserves					
Called up share capital	18		135		102
Share premium account	18		324,869		224,902
Other reserves	18		377,597		248,249
Profit and loss account - defecit	18		(468,236)		(423,504)
Shareholders' funds			**234,365**		**49,749**

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board and authorised for issue on 27 February 2023 and signed on its behalf by

W Kenwright CBE
Director

COMPANY BALANCE SHEET
AT 30 JUNE 2022

	Notes	30 June 2022 £'000	30 June 2022 £'000	30 June 2021 £'000	30 June 2021 £'000
Fixed assets					
Intangible assets	10		148,653		209,736
Tangible assets	11		8,992		13,320
Investments	12		-		-
			157,645		**223,056**
Current assets					
Debtors					
- Due within one year	14	334,221		81,022	
- Due after one year	14	78,258		272	
Cash at bank and in hand		32,060		66,850	
		444,539		**148,144**	
Creditors - amounts falling due within one year	15	(128,715)		(117,591)	
Net current assets / (liabilities)			**315,824**		**30,553**
Total assets less current liabilities			**473,469**		**253,609**
Creditors - amounts falling due after more than one year	16		(173,506)		(151,335)
Provision for liabilities	17		(4,834)		(14,241)
Net assets			**295,129**		**88,033**
Capital and reserves					
Called up share capital	18		135		102
Share premium account	18		324,869		224,902
Other Resrves	18		377,597		248,249
Profit and loss account - deficit	18		(407,472)		(385,220)
Shareholders' funds			**295,129**		**88,033**

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not presented its own profit and loss account. The Company's loss for the year was £22,252,000 (2021: £121,098,000)

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board and authorised for issue on 27 February 2023 and signed on its behalf by

W Kenwright CBE
Director

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

GROUP	Notes	Called-up share capital	Share premium account	Profit and loss account	Other reserves	Total
		£'000	£'000	£'000	£'000	£'000
At 1 July 2020		**35**	**24,968**	**(302,570)**	**348,499**	**70,932**
Loss for the year and total comprehensive expense		-	-	(120,934)	-	(120,934)
Loan from Shareholder classed as equity		-	-	-	49,750	49,750
Issue of new shares		67	199,934	-	(150,000)	50,001
At 30 June 2021		**102**	**224,902**	**(423,504)**	**248,249**	**49,749**
Loss for the year and total comprehensive expense		-	-	(44,732)	-	(44,732)
Loan from Shareholder classed as equity	18	-	-	-	229,348	229,348
Issue of new shares		33	99,967	-	(100,000)	-
At 30 June 2022		**135**	**324,869**	**(468,236)**	**377,597**	**234,365**

COMPANY	Notes	Called-up share capital	Share premium account	Profit and loss account	Other reserves	Total
		£'000	£'000	£'000	£'000	£'000
At 1 July 2020		**35**	**24,968**	**(264,122)**	**348,499**	**109,380**
Loss for the year and total comprehensive expense		-	-	(121,098)	-	(121,098)
Loan from Shareholder classed as equity		-	-	-	49,750	49,750
Issue of new shares		67	199,934	-	(150,000)	50,001
At 30 June 2021		**102**	**224,902**	**(385,220)**	**248,249**	**88,033**
Loss for the year and total comprehensive expense		-	-	(22,252)	-	(22,252)
Loan from Shareholder classed as equity	18	-	-	-	229,348	229,348
Issue of new shares		33	99,967	-	(100,000)	-
At 30 June 2022		**135**	**324,869**	**(407,472)**	**377,597**	**295,129**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	£'000	£'000
Net cash flows from operating activities		
Loss for the period	(44,732)	(120,934)
Adjustments for:		
Profit on disposal of football staff registrations	(67,684)	(13,226)
Profit on disposal of tangable fixed assets	(20)	-
Depreciation of tangible fixed assets	6,683	7,064
Amortisation of grants	(38)	(38)
Amortisation of football staff registrations	68,327	81,243
Impairment of football staff registrations	-	15,337
Interest receivable and similar income	(1,414)	(522)
Interest payable and similar charges	10,473	9,043
Taxation charge / (credit)	-	-
Operating cash flows before movements in working capital	**(28,405)**	**(22,033)**
(Increase) / Decrease in debtors	(7,909)	13,556
Increase / (Decrease) in creditors	9,051	(57,904)
Increase / (Decrease) in provisions	(7,044)	2,720
Net cash generated from / (used in) operations	**(34,307)**	**(63,661)**
Cash flow from investing activities		
Proceeds from disposal of football staff registrations	25,155	48,360
Proceeds from disposal of tangible fixed assets	20	-
Purchase of football staff registrations	(86,138)	(115,150)
Purchase of tangible fixed assets (including prepaid contribution to assets)	(210,494)	(22,081)
Interest received	27	-
Net cash flows used in investing activities	**(271,430)**	**(88,871)**
Cash flows from financing activities		
Interest paid	(7,524)	(4,814)
Repayments of borrowings	(3,750)	(18,750)
New loans	50,000	90,000
Shareholder loans treated as equity	229,347	99,751
Net cash flows from financing activities	**268,073**	**166,187**
Cash at bank and in hand at beginning of period	70,059	56,404
Net (Decrease) / increase in cash	(37,664)	13,655
Cash at bank and in hand at end of period	**32,395**	**70,059**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

(A) GENERAL INFORMATION AND BASIS OF ACCOUNTING

Everton Football Club Company Limited is a Private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of the registered office is given on page 5. The nature of the group's operations and its principal activities are set out in the strategic report on pages 6-10.

STATEMENT OF COMPLIANCE

The financial statements of Everton Football Club Company Limited have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

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

No separate parent company Cash Flow Statement with related notes, remuneration of key management and related party transactions are included

The functional currency of Everton Football Club Company Limited and its subsidiaries is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

The ultimate parent undertaking and controlling party is Blue Horizon Investments Limited, which owns 94.1% of the share capital of the Company (2021: 92.2%). Blue Horizon Investments Limited is incorporated in the Isle of Man and is wholly-owned and controlled by Mr Moshiri.

(B) BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(C) GOING CONCERN

In preparing these financial statements, the Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Club will continue in business. In satisfaction of this responsibility the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements following investment from the majority shareholder in both the current and prior financial period, and the Club's existing banking facilities secured in the years ended 30 June 2022 and 30 June 2021. Post year end, the Majority Shareholder has provided a further £70m of financial support (see note 21). This support is being used to fund the New Stadium development and for operational cashflow requirements.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts based on two scenarios, being 1 - considered to be the most likely - the Club remaining in the Premier League or 2 - a severe but plausible downside -being relegation to the EFL Championship. In the event of the Club securing its Premier League status, the Board have assessed that there are sufficient facilities available to meet liabilities as they fall due. In a relegation scenario, the Club would review its costs base, trading strategy and defer other planned discretionary expenditure in the short term to offset any likely reductions in revenue.

Whilst the club has been able to secure longer term funding facilities during the year end 30 June 2022, some of these facilities include a covenant that assumes the club will remain in the Premier League, therefore the Board have had to consider the scenario of relegation and the availability of these facilities in that scenario. The providers have indicated that they remain supportive to the group under each scenario. However, at the time of approval of the financial statements, there are no contractual commitments in place that would guarantee a waiver of the amounts payable in full or in part and therefore relegation would require a material repayment of debt as per the contract.

The Club is in advanced negotiations for additional long-term funding which we are confident will conclude favourably, however, the Board have acknowledged as part of their going concern preparations that at the date these financial statements are approved, there is no contractual commitment to this funding, and as such cannot be guaranteed.

The Club is also in advanced negotiations to secure the next stage of funding for the Bramley-Moore Dock development for the new stadium. Heads of terms have been agreed in this regard and we expect to have concluded in the next couple of months. However, these are not legally binding as at the date of approval of the financial statements and thus also cannot be guaranteed.

The Club remains reliant on the support of its majority shareholder, who has provided a letter of support to the Board confirming the intention to provide ongoing financial support for a period of no less than 12 months from the date of approval of the financial statements but this does not represent a legally binding commitment by the majority shareholder.

Collectively, the above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Board are confident that if the Club is relegated funding will be secured or refinanced and that they will be able to achieve the levels of revenue and savings to allow the Group to continue in operational existence for a period of 12 months after the date of signing these financial statements. However, whilst the Directors acknowledge these uncertainties may cast significant doubt on the entity's ability to continue as a going concern, they still feel it is appropriate it is to prepare the financial statements on a going concern basis.

(D) TURNOVER

Turnover is stated exclusive of value added tax, and match receipts are recognised net of payments owing to visiting clubs, the Premier League, the Football Association and the Football League.

Gate and other matchday revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season it relates to whilst facility fees for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

Turnover also represents the net revenue received from any outsourced retail and catering operations.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

(E) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost, net of depreciation and any provision for impairment. On properties it is provided to write off the costs or revalued amounts less estimated residual value (based on prices prevailing at the date of acquisition or revaluation) in equal annual instalments over the estimated useful economic lives of the assets which are considered to be between 10 and 40 years.

Depreciation is charged on a straight line basis of three years for vehicles and five years for plant and equipment.

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

(F) ASSETS IN THE COURSE OF CONSTRUCTION

The assets classified under "in the course of construction" relates to the Groups' ongoing capital project, the development of the new stadium at Bramley-Moore Dock. FRS 102 section 17 requires that for an asset to be capitalised it must result in a probable economic benefit. Depreciation will begin once this project is completed and begins its useful economic life.

Assets "in the course of construction" are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

(G) GRANTS

Grants of a capital nature are credited to deferred income and amortised to the profit and loss account on a systematic basis over the useful economic life of the asset to which they relate.

(H) i) CURRENT TAXATION

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(H) ii) DEFERRED TAXATION

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

(I) INTANGIBLE FIXED ASSETS - PLAYERS' REGISTRATIONS

The cost of players' registrations and coaching staff appointments, including agents' fees, are capitalised and amortised on a straight line basis over the period of the respective players'/coaching staffs' contracts in accordance with FRS 102 section 18 'Intangible assets other than goodwill'.

When a playing/coaching staff contract is extended, any costs associated with securing the extensions are added to the unamortised balance (at the date of the amendment) and the revised book value is amortised over the remaining revised contract period.

(J) CONTINGENT APPEARANCE FEES

Where the directors consider the likelihood of a player meeting future appearance criteria specified in the transfer agreement of the player to be probable, provision for this cost is made (see note 17). If the likelihood of meeting these criteria is merely possible not probable, then no provision is made but the potential obligations are disclosed as contingent liabilities (see note 19).

(K) SIGNING-ON FEES AND LOYALTY BONUSES

Signing-on fees and loyalty bonuses represent a normal part of the employment cost of the player and as such are charged to the profit and loss account in the period in which the payment becomes due, except in the circumstances of a player disposal. In that case any remaining signing-on fees and loyalty bonuses due are allocated in full against profit or loss on disposal of players' registrations in the year in which the player disposal is made. Those instalments due in the future on continued service are not provided for but are noted as contingent liabilities (see note 19).

(L) LEASE RENTALS

Where the company enters into a lease which entails substantially taking all the risks and rewards of ownership of an asset the lease is treated as a finance lease. Assets acquired under finance leases are capitalised and depreciated over the shorter of their lease term or their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease even when payments are not made on such a basis.

(M) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are recognised in the profit and loss account.

(N) PENSIONS

Certain staff of the Group are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"; "the Scheme"), a defined benefit scheme. As one of a number of participating employers in the FLLPLAS, the Group is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reliable basis and therefore accounts for the Scheme as if it were a defined contribution scheme. As a result, the contributions paid to the scheme reduce the provision.

(O) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets due more than one year are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(v) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(P) IMPAIRMENT OF ASSETS

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

(Q) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical Accounting Judgements

The directors do not consider there to be any critical accounting judgements.

Key Sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Contingent Appearance Fees

As per the terms of some transfer agreements entered into there are fees contingent on future appearances of certain players. At 30 June 2022 there is £68,223,000 (2021: £46,628,000) of contingent fees which are not considered probable based on management's best estimates.

Player Registrations

Management will perform an impairment review of player registrations, if events indicate that the carrying value is not recoverable through an inflow of economic benefits. Whilst management do not feel it is appropriate to separate an individual player registration from a single cash-generating unit ('CGU'), being the operations of the club in possession of the registration, there may be limited circumstances in which a registration is removed from the CGU and recoverability assessed separately. Where such indications exist, management will compare the carrying value of the asset with management's best estimate of fair value less cost to sell.

Financial Instruments

Financial instruments due to be settled or received in greater than one year are discounted when the time value of money is considered by management to be material to the Company. In such instances, management will estimate the timing of future cash flows and select an appropriate discount rate in order to calculate the present value of future cash flows related to the financial instrument.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

2. TURNOVER

Turnover, all of which originates in the United Kingdom, can be analysed as follows:

	2022	2021
	£'000	£'000
Broadcasting	115,086	146,388
Gate Receipts	15,564	222
Sponsorship, advertising and merchandising	35,017	35,497
Other commercial activities	15,340	11,036
	181,007	**193,143**

TURNOVER COMPRISES OF THE FOLLOWING:

Broadcasting - distributions from the FA Premier League broadcasting agreements, cup competition broadcasting rights and radio broadcasting rights.

Gate receipts - revenue generated from the sale of match tickets.

Sponsorship, advertising and merchandising - revenue generated from sponsorship and partnership contracts and net revenue received from outsourced retail operations.

Other commercial activities - includes revenue received from hospitality, catering, events and all other revenue sources.

The above turnover represents the net revenue received from outsourced retail and catering operations. Turnover would increase by £8.0m to £189m (2021: £6.7m to £200m) if these operations were not outsourced.

3. OPERATING EXPENSES

	2022	2021
	£'000	£'000
Amortisation of players' registrations (note 10)	68,327	81,243
Staff costs (note 7)	162,010	182,570
Depreciation (note 11)	6,683	7,064
Other operating costs	36,226	25,387
Other operating costs - exceptional costs	11,138	22,518
Total operating expenses	**284,384**	**318,782**

The exceptional other operating costs of £11.1m in the period ended 30 June 2022 relates to amounts payable to former employees in relation to a change in coaching staff, amounts payable to former employees and revaluation of Football League Pension Scheme, the figure is broken down as follows:

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

	2022	2021
	£'000	£'000
Revaluation of Football League Pension Scheme	281	-
Amounts payable to former employees in relation to the change in coaching staff	10,514	-
Amounts payable to former employees	343	-
Provision for Onerous Contract	-	7,181
Impairment of player registrations	-	15,337
	11,138	**22,518**

Amortisation and Impairment of player registrations are included within player trading operating expenses on the face of the profit and loss account.

4. OPERATING LOSS

	2022	2021
	£'000	£'000
The operating loss is stated after charging / (crediting):		
Depreciation - property	225	225
Depreciation - other	6,458	6,839
Amortisation of grants	(38)	(38)
Operating lease rentals		
Motor vehicles	165	214
Office equipment	206	260
Land and properties	2,115	2,159
Foreign exchange gain / (loss)	(318)	(918)
Amortisation of player registrations	68,327	81,243
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual accounts	61	50
Fees payable to the company's auditor for the audit of the company's subsidiaries	8	7
Total audit fees	**69**	**57**
Other non-audit services		
Audit-related assurance services	7	5
Tax services	-	12
Other services	2	7
Total non-audit fees	**9**	**24**

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Bank interest receivable	27	-
Other Interest receivable	1,387	522
Total operating expenses	**1,414**	**522**

Other Interest receivable relates to the unwinding of the discount, for FRS102 purposes, on deferred payments for players' registrations.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£'000	£'000
Other loans	9,014	5,733
Other interest payable	1,459	3,310
	10,473	**9,043**

Other interest payable relates to the unwinding of the discount, for FRS102 purposes, on deferred payments for players' registrations.

7. PARTICULARS OF EMPLOYEES

GROUP	2022	2021
	Number	Number
The average monthly number of employees, including executive directors, during the period was as follows:		
Playing, training and management	169	159
Youth Academy	66	70
Marketing and Media	78	53
Management and Administration	116	101
Maintenance, Security, Pitch and Ground Safety	62	67
	491	**450**

In addition, the Group employed an average of 310 temporary staff on matchdays (2021: 63).

Aggregate payroll costs for the above employees were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	141,390	159,221
Social security costs	19,747	22,531
Other pension costs	873	818
	162,010	**182,570**

COMPANY	2022	2021
	Number	Number
The average monthly number of employees, including executive directors, during the period was as follows:		
Playing, training and management	121	118
Youth Academy	66	70
Marketing and Media	78	53
Management and Administration	115	101
Maintenance, Security, Pitch and Ground Safety	62	67
	442	**409**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

7. PARTICULARS OF EMPLOYEES (CONT.)

Aggregate payroll costs for the above employees were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	139,191	157,691
Social security costs	19,470	22,364
Other pension costs	812	782
	159,473	**180,837**

Directors' remuneration

	2022	2021
	£'000	£'000
Emoluments	3,050	4,214
Company contributions to money purchase pension scheme	22	20
	3,072	**4,234**
Highest paid director	868	2,041
Company contributions to money purchase pension scheme	-	-
	868	**2,041**

	2022	2021
	Number	Number
Money purchase pension plans	**4**	**2**

The Directors are considered to be the key management personnel of the business.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

8. TAX ON LOSS

	2022	2021
	£'000	£'000
Deferred tax charge / (credit) in the period	-	-
	-	-

a) Factors affecting the tax charge
The tax assessed for the period is higher (2021: higher) than that resulting from applying the effective standard rate of corporation tax in the UK: 19% (2021: 19%).

	2022	2021
	£'000	£'000
Loss in the period	(44,732)	(120,934)
Tax on loss at the standard rate	(8,499)	(22,977)
Expenses not deductible for tax purposes	2,460	57
Income not taxable for tax purposes	(7)	(7)
Fixed Assets differences	832	1,011
Depreciation on ineligible assets	-	-
Adjustments in respect of prior periods (deferred tax)	8	(1)
Deferred tax not recognised	6,855	48,126
Remeasurement of deferred tax for changes in tax rates	(1,649)	(26,209)
Total tax charge for the period	-	-

b) Factors that may affect the future tax charge
Unrecognised deferred tax assets of the Group are £99.3m (2021: £109.2m). These assets will be utilised if sufficient taxable profits are generated by Group companies in future periods.

This asset primarily consists of carried forward losses of £89.5m and other timing differences of £9.8m.

Increases in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly and has been accounted for when valuing the unrecognised deferred tax asset as at the balance sheet date.

9. COMPANY PROFIT AND LOSS ACCOUNT

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not presented its own profit and loss account. The Company's loss for the year was £22,252,000 (2021: £121,098,000 loss).

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

10. INTANGIBLE FIXED ASSETS

INTANGIBLE FIXED ASSETS - GROUP

Aggregate payroll costs for the above employees were as follows:	Total
	£'000
Cost	
At 1 July 2021	450,793
Additions in the year	54,961
Disposals in the year	(193,876)
At 30 June 2022	**311,878**
Amortisation	240,944
At 1 July 2021	68,327
Impairment of player registrations	-
Eliminated on disposals	(146,325)
At 30 June 2022	**162,946**
Net book value	
At 30 June 2022	**148,932**
At 30 June 2021	**209,849**

The intangible fixed assets relates to the cost of players' and management registrations and agent fees.

The Directors review the carrying value of the players' registrations for impairment. Where events or changes in circumstances indicate that the carrying value of the asset may not be recoverable, to the extent that the carrying value exceeds the recoverable amount, the asset is impaired and the impairment loss is recognised in the profit and loss.

INTANGIBLE FIXED ASSETS - COMPANY

Aggregate payroll costs for the above employees were as follows:	Total
	£'000
Cost	
At 1 July 2021	450,607
Additions in the year	54,529
Disposals in the year	(193,700)
At 30 June 2022	**311,436**
Amortisation	240,871
At 1 July 2021	68,153
Impairment of player registrations	-
Eliminated on disposals	(146,241)
At 30 June 2022	**162,783**
Net book value	
At 30 June 2022	**148,653**
At 30 June 2021	**209,736**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

11. TANGIBLE FIXED ASSETS

GROUP	Freehold properties	Plant and equipment	Vehicles	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2021	12,107	50,851	42	20,274	83,274
Additions in the year	-	2,801	-	148,079	150,880
Disposals in the year	-	(129)	(6)	-	(135)
At 30 June 2022	**12,107**	**53,523**	**36**	**168,353**	**234,019**
Depreciation					
At 1 July 2021	8,131	38,206	42	-	46,379
Charge for the year	225	6,458	-	-	6,683
On disposals	-	(129)	(6)	-	(135)
At 30 June 2022	**8,356**	**44,535**	**36**	**-**	**52,927**
Net book value					
At 30 June 2022	**3,751**	**8,988**	**-**	**168,353**	**181,092**
At 30 June 2021	3,976	12,645	-	20,274	36,895

COMPANY	Freehold properties	Plant and equipment	Vehicles	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2021	1,007	50,615	42	-	51,664
Additions in the year	-	2,036	-	-	2,036
Disposals in the year	-	(129)	(6)	-	(135)
At 30 June 2022	**1,007**	**52,522**	**36**	**-**	**53,565**
Depreciation					
At 1 July 2021	131	38,171	42	-	38,344
Charge for the year	-	6,364	-	-	6,364
On disposals	-	(129)	(6)	-	(135)
At 30 June 2022	**131**	**44,406**	**36**	**-**	**44,573**
Net book value					
At 30 June 2022	**876**	**8,116**	**-**	**-**	**8,992**
At 30 June 2021	876	12,444	-	-	13,320

The net book value of the Group's freehold properties includes land valued at £1,526,000 which is not depreciated.

The net book value of the Company's freehold properties includes land valued at £876,000 which is not depreciated.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

12. INVESTMENTS
FIXED ASSET INVESTMENTS

COMPANY	Subsidiary Undertakings
	£
Cost and net book value	
As at 1 July 2021 and 30 June 2022	7

Details of Company's subsidiaries as at 30 June 2022, all registered in England and Wales at Goodison Park, Liverpool, L4 4EL, were as follows:

Name of Company	% owned	Nature of business
Goodison Park Stadium Limited	100	Provision of football entertainment facilities
Everton Investments Limited	100	Issuer of loan notes
Everton Football Club Women Limited	100	Professional football club
Everton Stadium Development Limited	100	Development company
Everton Stadium Development Holding Company Limited	100	Development company

The Company directly owns 100% of the ordinary share capital of the subsidiary companies.

13. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Properties		Other		Total	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Due within one year	2,059	1,979	112	43	2,171	2,022
Due between two and five years	8,397	8,291	139	40	8,536	8,331
Due in more than five years	66,339	68,544	-	-	66,339	68,544
	76,795	**78,814**	**251**	**83**	**77,046**	**78,897**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

14. DEBTORS

	GROUP		COMPANY	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	42,750	18,114	42,331	16,643
Amounts due from subsidiaries	-	-	288,073	61,873
Other financial assets	-	-	-	-
Prepayments and accrued income	56,322	2,560	3,817	2,506
Deferred tax	-	26	-	-
	99,072	**20,700**	**344,221**	**81,022**
Amounts falling due after one year:				
Trade debtors	78,258	272	78,258	272
	78,258	**272**	**78,258**	**272**

Excluding Everton Stadium Development Limited amounts owed by subsidiaries are unsecured, interest free and repayable on demand.

Included within Prepayments are advanced payments paid to the main contractor relating to the Bramley-Moore Dock Stadium.

Trade debtors due after one year represents proceeds due from the disposal of football staff registrations and are all due within 4 years.

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	£'000	£'000	£'000	£'000
Other loans (note 16)	14,432	3,392	14,432	3,392
Trade creditors	26,332	61,123	25,694	56,735
Accruals and deferred income	63,401	42,083	49,516	32,206
Amounts due to subsidiaries	-	-	16,556	10,168
Social security and other taxes	22,232	15,192	22,517	15,090
	126,387	**121,790**	**128,715**	**117,591**

Amounts owed to subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

16. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	£'000	£'000	£'000	£'000
Other loans (see borrowings below)	159,672	124,911	159,672	124,911
Trade creditors	3,740	15,555	3,723	15,521
Accruals and deferred income	10,751	11,529	10,111	10,903
	174,163	**151,995**	**173,506**	**151,335**

Borrowings

GROUP

	Other loans		Total	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	£'000	£'000	£'000	£'000
Analysis of borrowings				
Payable by instalments:				
Within one year	14,432	3,392	14,432	3,392
Between one and five years	159,672	124,911	159,672	124,911
	174,104	**128,303**	**174,104**	**128,303**

COMPANY

	Other loans		Total	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	£'000	£'000	£'000	£'000
Analysis of borrowings				
Payable by instalments:				
Within one year	14,432	3,392	14,432	3,392
Between one and five years	159,672	124,911	159,672	124,911
	174,104	**128,303**	**174,104**	**128,303**

Included in other loans at 30 June 2022 includes a five year facility totalling £150,000,000 (30 June 2021; £100,000,000) secured by a fixed and floating charge on the assets of the Club. This loan incurs interest at a market value rate.

To assist in dealing with the material reduction in cashflows arising from the COVID-19 pandemic, the Club took out a £30,000,000 government backed CLBILS facility in 2020/21, which is also included within other loans. The value of this loan at the 30 June 2022 was £26,250,000 (30 June 2021: £30,000,000). This loan incurs a market value rate of interest.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

17. PROVISION FOR LIABILITIES

	GROUP AND COMPANY			
	Pensions (note 20)	Contingent appearance fees	Onerous contracts	Total
	£'000	£'000	£'000	£'000
At 1 July 2021	210	6,850	7,181	14,241
Utilised in the period	(144)	(4,849)	(7,181)	(12,174)
Provided in the period	281	2,486	-	2,767
At 30 June 2022	**347**	**4,487**	**-**	**4,834**

The contingent appearance fees and pension provision are expected to be utilised within 1 and 3 years respectively.

There are no amounts provided for deferred tax at 30 June 2022 or 1 July 2021.

18. SHARE CAPITAL AND RESERVES

The Group and Company's Share Capital	30 June 2022	30 June 2021
	£'000	£'000
Allotted, issued and fully paid		
135,000 ordinary shares of £1 each	**135**	**102**

An issue of shares was completed in the year with 33,333 of new shares being issued to the Majority Shareholder. The share issue included capitalisation of a portion of existing Shareholder loans into Equity. The balance of shareholder loan outstanding at year end was £380,751,000.

The group's other reserves are as follows:

Share premium reserve, which contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss reserve, which represents cumulative profits or losses, net of dividends paid and other adjustments.

Other reserves represents an interest free loan of £380,751,000 provided by Bluesky Capital Limited, a company controlled by Mr Moshiri. The loan is to be repaid at a mutually agreeable date between Bluesky Capital Limited and Everton Football Club Company Limited and hence there is therefore no contractual liability for this to be repaid currently. In accordance with FRS 102.22 the loan has therefore been classified as equity. Loan arrangement fees of £3,153,750 have been deducted from equity in accordance with FRS 102.22.9.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

19. CONTINGENT LIABILITIES AND ASSETS

No provision is included in the accounts for transfer fees of £68,223,000 (2021: £46,628,000) which are, as at 30 June 2022, contingent upon future appearances of certain players and at the balance sheet date are not considered probable; or signing-on fees and loyalty bonuses, as at 30 June 2022, of £15,744,000 (2021: £30,599,000) which would become due to certain players if they are still in the service of the Club on specific future dates.

The Club is involved in a contractual dispute with a third party. The amounts to be recovered are subject to on-going litigation processes, with the Club believing it has a good prospect of recovering up to £10,000,000 in damages.

20. PENSIONS

Certain staff of the Group are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"; "the Scheme"), a defined benefit scheme. As one of a number of participating employers in the FLLPLAS, the Group is advised only of its share of the Scheme's deficit and recognises a liability in respect of this.

As a result, the contributions paid to the scheme reduce the provision. The Group is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reliable basis and therefore accounts for the Scheme as if it were a defined contribution scheme.

Contributions are also paid into individuals' private pension schemes. Total contributions across all schemes during the year amounted to £873,000 (2021: £841,000). The amount outstanding at year end was £80,000 (2021: £72,000).

21. POST BALANCE SHEET EVENTS

Since 30 June 2022, the Club has entered into transfer agreements to acquire the registration of Dwight McNeil (from Burnley), Amadou Onana (from LOSC Lille), Neal Maupay (from Brighton & Hove Albion), Idrissa Gueye (from Paris Saint-Germain), James Garner (from Manchester United), Conor Coady (loan from Wolverhampton Wanderers), Rúben Vinagre (loan from Sporting CP) and James Tarkowski (free agent). The registrations of Allan Marques Loureiro (to Al Sharjah), Anthony Gordon (to Newcastle United), Nathan Broadhead (to Ipswich Town) have all been sold, together with the temporary loans of André Gomes (LOSC Lille), Dele Alli (Besiktas), Jean-Philippe Gbamin (Trabzonspor) and João Virgínia (SC Cambuur). The net transfer fees payable for these transactions, together with Everton Women FC transactions and the financial impact of contingent transfer milestones from the triggering of contingent milestones relating to existing transfer agreements is £56,437,000.

Since 30 June 2022, the Club's majority shareholder has provided further interest free loans of £70,000,000 with no agreed repayment date, which were treated as equity.

22. RELATED PARTY TRANSACTIONS

Everton In The Community is a registered Charity (Number 1099366) incorporated on 31 July 2003 and began trading on 1 June 2004. The Charity operates separately from the Group hence has not been consolidated in the Group results, but as at 30 June 2022 Everton Football Club Company Limited employees held two of the six Trustee positions at the Charity. During the year Everton Football Club Company Limited donated £360,000 towards the operational costs of the Charity (2021: £360,000) and provided value in kind benefits of £496,000 (2021: £486,000). Value in kind benefits of £142,000 (2021: £116,000) were provided to Everton Free School Limited.

As at the 30 June 2022 the Group had a receivable amount of £611 due from Everton Free School Limited and a receivable amount due of £15,000 from Everton In The Community. As at the 30 June 2022 the Company had a receivable amount due of £515 from Everton Free School Limited and a receivable amount due of £12,000 from Everton In The Community.

During the year the Club's majority shareholder has provided interest free loans of £230,500,000, included in equity, with no agreed repayment date. An issue of shares was also completed in the year with 33,333 of new shares being issued to the Majority Shareholder. The share issue included capitalisation of a portion of existing Shareholder loans into Equity. The balance of shareholder loan outstanding at year end was £380,751,000.

During the year the Club incurred £587,000 for leased office space in the Royal Liver Building as part of a 15 year lease agreement. The Club's majority shareholder has an ownership interest in the Royal Liver Building.

23. DEVELOPER AGREEMENTS

The Group has a fixed price contract for the development of the new stadium. The contract includes termination provisions which, although management do not currently anticipate will be enforced, result in the contract not being included as a capital commitment.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

24. FINANCIAL INSTRUMENTS

The carrying values of the group's and company's financial assets and liabilities are summarised by category below:

	GROUP		COMPANY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial assets				
Measured at amortised cost:				
Trade debtors	43,929	3,689	43,929	3,689
Measured at undiscounted amounts receivable:				
Trade debtors and other debtors	(1,179)	15,213	(1,598)	13,742
Amounts due from subsidiaries	-	-	288,073	61,873
Cash at bank and in hand	32,395	70,059	32,060	66,850
	75,145	**88,961**	**362,464**	**146,154**

	GROUP		COMPANY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Measured at amortised cost:				
Trade creditors	30,104	69,635	30,104	69,635
Measured at undiscounted amount payable:				
Other Loans	174,104	128,303	174,104	128,303
Trade and other creditors	49,894	35,138	46,657	29,179
Amounts owed to subsidiaries	-	-	16,556	10,168
	254,102	**233,076**	**267,421**	**237,285**

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	GROUP AND COMPANY	
	2022	2021
	£'000	£'000
Income and expense		
Total interest income for financial assets at amortised cost	1,387	522
Total interest expense for financial liabilities at amortised cost	(1,459)	(3,310)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONT.)

25. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY	
	2022	2021
	£'000	£'000
Current Liabilities		
Forward foreign currency contracts	-	68

Forward foreign currency contracts are valued using quoted forward exchange rates compared to actual exchange rates at the close of the financial period.

26. NET DEBT RECONCILIATION

	GROUP AND COMPANY		
	At 1 July 2021	Cashflows	At 30 June 2022
	£'000	£'000	£'000
Cash at Bank and in Hand	70,059	(37,664)	32,395
Current Borrowings	(3,392)	(11,040)	(14,432)
Non-Current Borrowings	(124,911)	(34,761)	(159,672)
	(58,244)	**(83,465)**	**(141,709)**

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TOO

Everton
RYAN DOYLE

Everton

GAZOO

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LAING O'ROURKE
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