Annual Report & Accounts

2017

Everton
1878
NIL SATIS NISI OPTIMUM

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Note

The Review (pages 6-13) and 2016/17 Season (pages 14-41) section do not form part of the statutory financial statements.

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Review

Chairman
Bill Kenwright

There's no getting away from it – we've had a really tough start to the campaign. So let me say a few words about that before I give you the current view of the season these accounts relate to. Introducing so many new players into our squad, an early start to our Europa League campaign and just about the most challenging Premier League fixture list we could have faced in the early weeks were all factors in what proved to be a very disappointing opening. And, while our start was made difficult for all these reasons, myself, Farhad and all of the Directors felt we had to take action. This was a really difficult decision for us to make. We were all disappointed to be in a position where we ultimately had to part with our manager after just 16 months. We're used to – and we like - stability with our managers, so having to part company with Ronald, Erwin, Jan and Patrick so soon after such a promising first season was difficult. But we made the decision – like every decision we ever make – in the best interests of the Club. Of course, I'd like to thank Ronald and his team for guiding us to seventh position last season and a place back in Europe. We wish them all the very best for their futures.

I'd also like to express gratitude on behalf of myself, Farhad, the Directors and all Evertonians to David Unsworth for stepping in to take the team at such a challenging time. David's talent, ambition and Evertonian spirit is simply first-class and the commitment and dedication he showed when accepting the challenge speaks volumes. David is now back with his Under-23 squad – and we have welcomed Sam Allardyce as our new Manager. We wish him the very best of success in his efforts to take our Club forward.

2016/17

Looking back to the 2016/17 season, Goodison became our fortress again, with only two home league defeats. It was great to see the loyalty of our fans rewarded with results and performances at Goodison we could all be proud of. The courage and determination we showed in beating Arsenal was undoubtedly a turning point in the season, while the exuberance that led to our demolition of high-flying Manchester City was without question our best performance on home soil.

But while we had strong performances - and picked up points - at the champions and against both Manchester clubs, our away record clearly needs improvement. At the time of writing, it's 11 months since we won on the road in the league and that's far from good enough.

Losing in the early rounds of both cup competitions – especially at home - was also disappointing as, believe me, I know how much all Evertonians are longing for silverware.

Of course, the season was blighted by the serious injuries to Seamus, Yannick and Ramiro. As I'm sure they will know from hearing the fans singing their names while they've been out, we're all right behind them as they work hard to recover.

Busy windows

Bringing in Morgan and Ademola in the January transfer window immediately improved us, as did the emergence of a number of players from our Under-23s who are now regulars in our first-team squad.

We knew the summer was going to be a very important transfer window for us. Farhad and I worked hard to secure the players Steve and Ronald had identified - and to bring them in as early as possible. As well as equaling or breaking our transfer record three times in securing the impressive talents of Jordan Pickford, Michael Keane and Gylfi Sigurdsson, we added experience in Davy Klaassen and Cuco Martina, while also investing in the future with Sandro Ramirez, Nikola Vlasic and Henry Onyekuru.

"We knew the summer was going to be a very important transfer window for us. Farhad and I worked hard to secure the players Steve and Ronald had identified - and to bring them in as early as possible"

And, of course, Wayne re-signed. I have never seen such enthusiasm from a player to sign for us. Wayne was desperate to come back and as hungry to achieve success with the Club he loves as he was when I first met him all those years ago. How special it was to see him score on his second Everton league debut and for him to score his first ever hat-trick for us, including one of his best goals.

Losing Romelu was clearly a big blow for us. I can assure you we did everything we possibly could to keep him. And, when we couldn't, we worked to find the best possible replacement for him. This is no easy task, but one we're fully committed to and will revisit in the 2018 transfer windows.

Gareth Barry, Darron Gibson, Tom Cleverley, Gerard Deulofeu, Arouna Kone, Leandro Rodriguez, Aiden McGeady and Bryan Oviedo all left us over the past 12 months. I would like to thank each of them for the service they gave to our Club in their time here.

Ladies and Under-23s success

Congratulations to Everton Ladies in returning to WSL1. I wish you every success back in the league where you belong.

And what can I say about our Under-23s? Our champions on and off the field ...

Our kids are more than alright!

2016/17 was a simply magnificent season for our Under-23s. Becoming Premier League 2 Champions is an achievement that shouldn't be underestimated. I watch that league and it is fiercely competitive. The job was also made more difficult by the number of players progressing through to our first-team or gaining valuable experience out on loan. I know thousands of you got behind 'our boys' throughout the season and I was delighted to see so many of you make the trip to Aldershot on a Friday night for a match against Chelsea as we approached the finishing line of a thrilling season. Although we didn't quite finish the job in Hampshire that night, it was apt that we ultimately lifted the trophy at Goodison – and an added bonus that it was in front of 'the other lot'! Congratulations to every player

who played their part in the success and, of course, huge respect to 'Unsie' and 'Ebbo' for the talent, dedication and incredible passion they have shown in driving the team to glory. Over the summer, we've also been investing in our Under-23 squad, bringing in Lewis Gibson, Josh Bowler, Dennis Adeniran, Boris Mathis and Nathangelo Markelo, as well as Anton Donkor for a second loan spell. We wish them all the best of luck in defending our PL2 crown.

Any Everton player scoring any goal fills us with pride. But the winning goal in a World Cup final? Well done to Dominic for that – and to Jonjoe, Ademola, Kieran and Callum for the part they played in making a nation - and every Evertonian - proud. The joy radiating from their faces as they celebrated with an Everton flag put a smile on my face for weeks and is the latest framed picture on my office wall!

All of these achievements - including reaching 1,000 consecutive first-team games with at least one Academy graduate in the squad - demonstrates the immense coaching talent we have had at USM Finch Farm, Bellefield and Netherton over the years. I thank all our fantastic Academy staff for the role they have played in developing our young stars as players - and as people. And on that subject, what other club would produce players who would not only make their mark in their respective leagues but also in their community? I am so proud of the way our Under-23s represent us away from the field of play. For a group of young professional footballers to sleep out in their stadium and to give up their Christmas Day to raise funds to buy a house for the homeless is beyond humbling and says so much about this group. They 'are Everton' ... and that is the biggest compliment anyone could ever give! To each and every one of them, I say, 'Thank you,' not only for the trophies but for everything they have done.

Off-the-field growth

While our biggest financial growth has come from broadcast revenues, our commercial income has also increased significantly, rising by 65% across sponsorship and advertising. I would like to congratulate Robert and his team in securing the deals that underpin the growth shown in this report, including our first training ground partner, USM, and a new European Betting Partner in William Hill, while the introduction of our first Sleeve Partner in Angry Birds and a new Main Partner, SportPesa, will contribute to further growth in the coming years.

As well as welcoming our new partners, I would also express my sincere gratitude to Chang for continuing their relationship with us through their community partnership. Chang was a fantastic Main Partner for 13 years, the longest main partnership in the history of the Premier League, and we will remain frends forever.

"I have a great friendship with Farhad, our Major Shareholder, and, as you know, I am sure he is the right person to take our great Club forward. His ambition matches that of every Evertonian and both the financial investment and time he has put into the Club demonstrates that commitment."

But it is not just in terms of pounds and pence that we are growing. Our average attendance for 2016/17 was the highest we've had in the modern era, with every seat taken for every league game. We have also experienced a 12% increase in the number of Season Ticket holders. Indeed, demand has outstripped supply, resulting in a significant waiting list. We also have more official members and more affiliated Supporters' Clubs than we've ever had, including more than 100 school Supporters' Clubs.

This growth cements the case for us to move into a new home at Bramley Moore Dock, something that we – and that includes Mayor Anderson and his

colleagues at the City Council - are all working hard to deliver. In formally securing land in November this year, we removed one of the significant hurdles and move another step closer to achieving our dream...

Of course, the chance to grow further, is made more possible by Farhad's investment and the improved financial position he has put us in. The personal investment he has made means that the Club is now debt free, with all our previous loans now repaid. We have been able to invest in our playing squad, renovate USM Finch Farm and revamp parts of Goodison Park. I have a great friendship with Farhad, our Major Shareholder, and, as you know, I am sure he is the right person to take our great Club forward. His ambition matches that of every Evertonian and both the financial investment and time he has put into the Club demonstrates that commitment.

The People's Club – every day

Nothing embodies our People's Club spirit more than the work we do in our community. Under the inspirational leadership of 'Dynamite Denise' we are changing and saving more lives in and beyond L4 than ever before. It is work that is regularly recognised as the very best in practice, not only in the world of football but across all sports.

The opening of the People's Hub - and Cruyff Court - on Spellow Lane, the properties on Goodison Road that are now the base for all our youth engagement programmes and the soon-to-be-completed refurbishment of the St Francis de Sales social club building on Salop Street are physical examples of the progress and difference being made by Everton in the Community.

To be supporting more than 15,000 people each year through 44 programmes - while also supporting 2,000 other charities - is truly humbling and goes way beyond the vision I had for the charity when setting it up back in 1988. In 2018, its 30th year, we will be celebrating our achievements and continuing to grow even more... and we'll be looking for support from the Everton family. I encourage all Evertonians to get involved, perhaps through volunteering on a programme or by embarking on some fundraising activity.

Forever Golden

In February 2017, we lost one of our greatest ever players - Alex Young. As I said at the time, from my position in the Boys' Pen to my position in the Directors' Box, I have never seen anybody like him – and I never will. Alex Young had a unique class about him, on and off the field. While it is incredibly sad that he's no longer with us, I was delighted he came back to Goodison last November to meet the fans who idolised him one last time. They told him what he meant to Evertonians and I know that will have meant the world to Alex.

Tom Gardner – who, until November 2016, was our oldest living player will also be fondly remembered. And I would like to pay tribute to supporter Derek Acker, who sadly passed away at Goodison Park last August, Father Brian Crane, the indefatigable Lord 'Charlie' Lyell and to Zoe Tynan, one of our former Ladies players, who tragically left us far too soon. Last, but definitely not least, Jim Greenwood, my good friend, who served us with such distinction as Club Secretary and Chief Executive from 1975 to 1994.

One Bradley Lowery!

Whenever I think of Bradley, I smile! He was a magical liitle 'imp' who created his own legend. While, of course, there is a profound sadness - for the pain he had to live through and for the loss and suffering his loving parents, Gemma and Carl, and his devoted brother, Kieran, have had to endure - I also feel incredibly thankful. Thankful for having had the privilege of becoming friends with Bradley and his family. Grateful that his dazzling smile warmed my heart, as I know it did for all Evertonians. His remarkable spirit and love for life - and football - was so, so special. The football family embraced him - just as the Everton family did - and it means so much to know that such a truly inspirational little boy chose us to be his second club, after his beloved Sunderland.

The best fans

I know I mention this every year. But I write it once again. Because it is so true... Everton fans are the best. The best there is ... not just in this league but anywhere.

"To be supporting more than 15,000 people each year through 44 programmes - while also supporting 2,000 other charities - is truly humbling"

The commitment shown year-in and year-out at Goodison and by the travelling Toffees – not least those who ventured to Dar-Es-Salaam – is incredible. Awesome.

I felt completely humbled to see you getting behind Unsie at Stamford Bridge even continuing to sing as the boys left the field after a defeat. Class. Everton class. And to see you at away games – where I know your early morning journeys have begun before the birds have started singing.

And it's not just the support given to the first-team. Our Under-23s, our Ladies, and our champion boxers – well done Bomber, we're all thrilled for you – all benefit from the steadfast passion of our own champ Evertonians.

To all the fans who've got behind us this year – whether it's at Goodison week-in-week-out, travelling thousands of miles to away games, creating banners to show your fantastic support for Aaron and Seamus, cycling from Sligo to Goodison, turning out to support Bradley's fundraiser, or supporting any of the extraordinary Speedo Mick's endeavours - I applaud and thank you.

And to those in our Everton family, I promise, it will never be taken for granted. You are the Club.

COYB!

Bill K

Chief Executive
Robert Elstone

A Club focused on the future

Young fans

One thing I'd like any future custodian of the Club to feel the need to do would be to thank the management team of 2017 for doing such an impressive job building the loyalty and commitment of young Evertonians. The combination of pricing, accessibility, engagement and community has seen significant increases in the number of young fans attending Goodison Park with numbers envied by our rivals.

Football is short-term, 'here and now' and it is so easy for clubs to lose sight of the next generation. Everton hasn't fallen into that trap. More than one in four of our 31,300 Season Ticket holders are young fans, under the age of 22. Those fans have responded to our long-standing commitment to affordability and our pledge to listen to their challenges and opinions. Highlighted by the BBC's Price of Football survey where the cost of football for 18 to 24-year-olds was very clearly, for many, an almost insurmountable barrier, our latest contribution to affordability is a £20 per game Season Ticket for supporters aged between 22 and 24.

We're delighted more than 2,500 young fans, in their first jobs, trying to pay for their first house, maybe with young families, took up that offer and are able to come to Goodison throughout the season.

Young players

I know current and future fans will appreciate our continued, substantial investment in young talent. The USM Finch Farm Academy remains a priority and we continue to review and strengthen all the ingredients of the development pathway. Over the past year, we have invested heavily in new facilities, new pitches and talented, new personnel. Most recently, we have made significant investments in some of the most promising young players in the country; young players excited and enticed by the opportunities afforded to Tom Davies, Beni Baningime, Jonjoe Kenny, Dominic Calvert-Lewin, Ademola Lookman and Mason Holgate. These young role models have become our most powerful recruiters with parents able to see a pathway into first-team football so rare across the Premier League.

We will continue to make USM Finch Farm our focal point and a group of key personnel have begun a project to drive future development at our Academy and training ground, ensuring it remains 'best in class' and able to attract the best players, of any age, from around the world.

Young people

Our reputation for work in the community transcends sport, 'the corridors of power' and the global football family. We should be immensely proud of the way we have led the way in reshaping the way football is positioned and viewed. And core to the esteem in which Everton in the Community is held is its diversity and willingness to take on any issue. When people need help, we step in. Inevitably, however, much of our work gravitates to young people. The Everton Free School continues to send exceptional young people into our community, equipped for the challenges and opportunities ahead. Our 'Home Is Where the Heart is' campaign raised more than £250,000 to help young people at risk of homelessness. Our apprenticeship scheme has grown from strength to strength. Over the past two years, 16 young people have secured permanent employment at the Club. And all young people working at the Club benefit from an enhanced hourly rate as a result of our commitment to the Living Wage.

Early next year, we will celebrate with vigour, excitement and pride 30 years of exceptional work in the Everton Community. Young people will always get a helping hand from Everton.

Young partners

A major attraction for our new Main, Partner, SportPesa, was our focus on young people. Of course, SportPesa appreciated the reach and power of the 'Everton jersey' but they are also committed to changing lives in East Africa. We are proud to help them work with local charities and support their desire and efforts to build leagues, clubs and junior football across Kenya and Tanzania. Our relationship allowed us to become the first Premier League club to play a game in East Africa and the people of Tanzania were wonderful hosts.

"The combination of pricing, accessibility, engagement and community has seen significant increases in the number of young fans attending Goodison Park with numbers envied by our rivals"

Our record-breaking main partnership was quickly followed by our first Sleeve Partner and a further endorsement of a Club rooted in future generations. The Club was widely complimented on landing a deal with 'Angry Birds' and excited by the platform such a global youth-facing brand presents to us.

Our new partners will help us articulate a young, energetic and dynamic Club across the world.

And a new home

A major priority of the past year has been the new stadium and considerable progress has been made securing the site and closing in on a funding solution. We continue with confidence and optimism on a project that will underpin our Club's future and transform our City. Our investment in the project has been substantial and the financial support provided by Farhad Moshiri has been critical. Mr Moshiri's support has been felt across the entire Club with investment in players, facilities and the elimination of long-term debt.

Allied to the record-breaking funds provided by our broadcast partners and our main sponsor, the Club's financial outlook is healthy.

Future prospects, for a Club focusing on the future, are bright.

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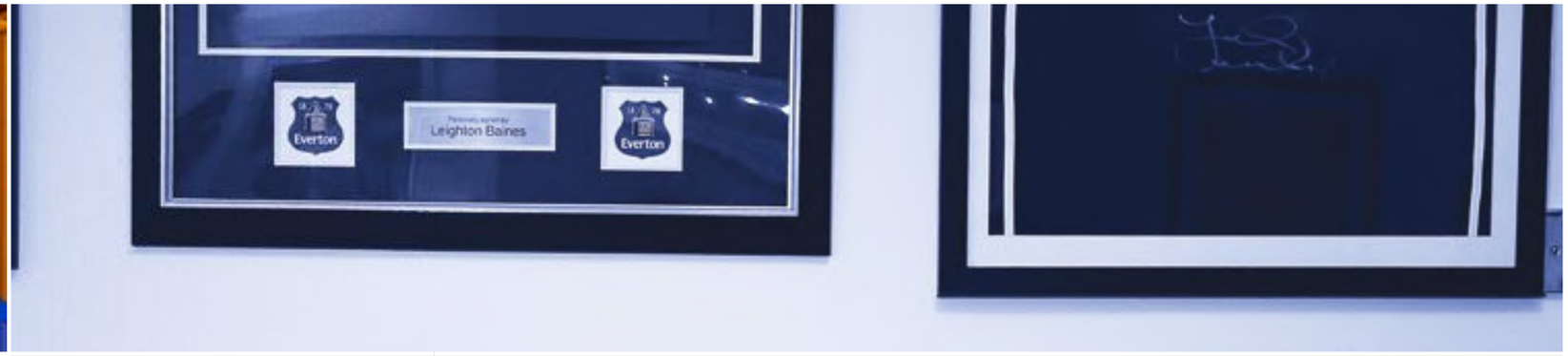
2016/17

YOUNG AT HEART

One in four of our 31,300 Season Ticket holders are now under the age of 22

A MAGICAL AFTERNOON AT GOODISON

Everton's Young Guns come to the fore as Tom Davies' memorable goal seals a big win over Man City in January 2017

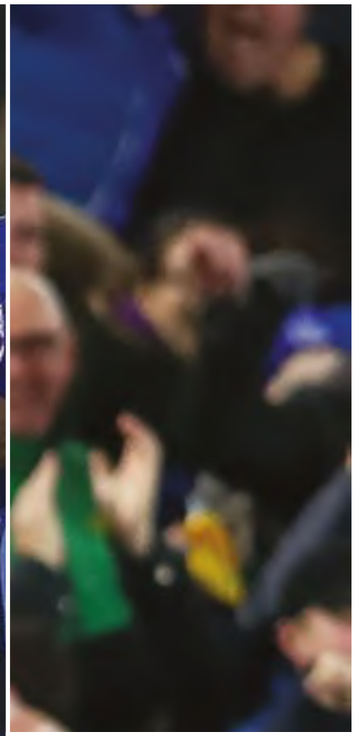


EMBRACING OUR COMMUNITY

Making Evertonians proud to be Blue wherever we go

WELCOME TO THE PEOPLE'S HUB

World-leading community scheme gets a new home in the shadow of Goodison Park



GOODISON ROARS AGAIN

Everton kick-start the season with a rousing win over Arsenal under the lights in December 2016. Ross celebrates before he scores against Bournemouth!

REST IN PEACE, THE GOLDEN VISION

The Club mourns the passing of Alex Young, as well as Jim Greenwood and Tom Gardner

SUCCESS ON THE ROAD

Memorable victories at Leicester and Palace, and both Manchester clubs are held

THERE'S ONLY ONE BRADLEY LOWERY

Football unites for a very special boy

ESTABLISHED TALENT

THE BRIGHTEST PROSPECTS

Player recruitment sees some of Europe's best players and most-talented youngsters join the Blues

ONCE A BLUE...

The world's eyes are on Everton as Wayne Rooney makes a fairytale return to Goodison Park

FRIENDS FOREVER

Chang becomes a Community Partner after 13-year shirt sponsorship deal ends

THE COUNTRY'S BEST YOUNG PLAYERS

Everton Under-23s win the Premier League 2 title under the guidance of David Unsworth and his staff

YOUNG BLUES RULE THE WORLD

Five Everton youngsters star as England win the Under-20 World Cup

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Accounts

Directors and Advisors

Directors

W Kenwright CBE
Chairman

J V Woods
Deputy Chairman

R Elstone
Chief Executive

A Ryazantsev
Director

D Barrett-Baxendale
MBE
Deputy
Chief Executive
(Appointed 13 July 2016)

K Harris
Director
(Appointed 14 October 2016)

Chief Executive

R Elstone

Deputy Chief Executive

D Barrett-Baxendale MBE

Company Secretary

C Anderson
(Appointed 14 October 2016)

G Ingles
(Resigned 14 October 2016)

Registered Office

Goodison Park, Liverpool, L4 4EL

Company Registration Number

36624

Auditor

Deloitte LLP

Statutory Auditor

Horton House, Exchange Flags,
Liverpool, L2 3PG

Bankers

Barclays Bank PLC

Liverpool North Group,
337/339 Stanley Road, Bootle,
Liverpool, L20 3EB

Registrars

Capita IRG

The Registry, Northern House,
Woodsome Park, Fenay Bridge,
Huddersfield, West Yorkshire, HD8 0GA

Strategic Report

FINANCE REVIEW

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

	2017	2016
League Position	7th	11th
Average League Attendance	39,310	38,132
Revenue	£171.3	£121.5
Wages/Turnover Ratio	61%	69%
Operating Profit / (Loss) Before Player Trading	£25.0m	(£6.0m)
Profit / (Loss) After Tax	£30.6m	(£24.3m)
Net Assets / (Liabilities)	£91.7m	(£43.4m)
Net Debt	nil	(£54.8m)

TRADING PERFORMANCE

The first year of the new £5bn TV rights deal increased the Club's turnover by almost £50m in 2017. The Club was selected for live UK broadcast on 18 occasions and the seventh-placed finish earned the Club an additional £14.8m compared to the previous year. In 2016/17, Everton secured the seventh highest Premier League broadcasting distribution (tenth in 2015/16).

The Club's gate receipts income decreased by £3.6m due to early exits from both domestic cup competitions and further Season Ticket price reductions. In the previous season the Club benefitted from additional gate receipts from reaching the semi-finals of both the League and FA Cup.

The Club built on the excellent average league attendance of 38,132 in 2015/16, to achieve an average league attendance of 39,310 this year (99% occupancy and despite almost 4,000 seats being sold as restricted views). These sustained high attendances are underpinned by another year of strong Season Ticket and hospitality sales. The Club secured a record 30,770 Season Ticket holders, a 12% increase on 2015/16.

The Club's first training ground naming rights partnership with USM Holdings contributed to the Club's sponsorship and advertising revenue rising by almost two-thirds from £9.3m in 2016 to £15.4m in 2017. The Club also secured new partnerships with, amongst others, William Hill and Sure, and retained the continued long-term support of key partners Umbro and Fanatics.

The record turnover facilitated continued investment in the playing squad, with the additions of Bolasie, Schneiderlin, Williams, Gueye, Lookman, Calvert-Lewin and Stekelenberg, together with the Club securing new contract extensions with Coleman, Baines, Davies and Mirallas.

This investment led to staff costs rising by 25% to £104.7m (2016: £84.0m). Due to the large revenue increases mentioned above, the Club's wages as a percentage of turnover have fallen to 61%, although when comparing to other clubs outsourced revenues should be added back (retail and catering). The Club's wages as a percentage of turnover including outsourced catering and retail was 59%.

The Club incurred £7.0m exceptional interest payable in 2017, not present in 2016, which related to settlement fees payable due to lenders for the early repayment of long term-debts.

As a result of the key factors outlined above, the Club recorded an operating profit for the year before player trading of £25.0m (2016: loss of £6.0m). The inclusion of the amortisation of players' registrations of £37.3m (2016: £22.4m), and profit on disposal of player registrations of £51.9m primarily made up of the sale of John Stones (2016: £7.8m), gives a profit before interest and taxation of £39.7m compared to a loss of £20.6m in 2016. With the incorporation of the net interest charge of £10.8m (2016: £5.1m), principally arising from the exceptional settlement fees payable to lenders, the servicing of the securitised debt and the bank overdraft, as well as interest receivable, the results for the year present a record post-tax profit of £30.7m (2016: loss of £24.3m).

SHAREHOLDER INVESTMENT

The Club's major shareholder has provided an interest-free loan of £105m (subsequently increased to £150m post year-end). The shareholder loan is to be repaid at a date to be agreed by Everton and Bluesky Capital Limited, a company controlled by Mr Moshiri. In accordance with FRS 102, the loan has therefore been classified as equity. Loan arrangement fees of £525,000 have been deducted from equity. This funding has been used during the year to, amongst other things, eliminate the Club's long-term debt by repaying the entire other loans balance and paying exceptional items.

In addition, this funding has also allowed continued investment into the playing squad and also capital expenditure projects.

BALANCE SHEET AND FUNDING

As a result of the above trading, as well as an interest-free loan of £105m provided by Bluesky Capital Limited, the balance sheet shows a net asset position of £91.7m (2016: net liabilities of £43.4m). The balance sheet contains £13.4m of deferred income in relation to advance Season Ticket and Lounge Membership sales which will be released to the profit and loss account as games are played during the 2017/18 season, hence will not require repayment. The intangible assets value of £121.2m represents the value paid to acquire players' registrations less annual amortisation amounts; this does not reflect the true value of the playing squad and attributes little value in respect of home-grown players such as Ross Barkley and Tom Davies.

Cash inflow from operating activities was £22.7m (2016: £7.4m). After net interest payments of £10.8m, net payments on player transfers of £39.7m and £5.7m of capital expenditure and net cash inflows from financing of £35.1m, the increase in cash for the year was £12.4m (2016: decrease of £8.6m). The Club's net debt position decreased by £54.8m from £54.8m to £9.6m of net cash in 2017.

Strategic Report

This strategic report has been prepared for Everton Football Club Company Limited and its subsidiaries ("the Group") and therefore gives greater emphasis to those matters which are significant to the parent company and its subsidiary undertakings when viewed as a whole.

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. 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, and investments. 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 and derivative financial instruments 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

In order 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

In ensuring that the Group has sufficient liquid resources to meet its liabilities as they fall due the Directors have reviewed in detail the business' cash flow projections. As disclosed in note 1, during the 2016/17 season the Group met its day-to-day working capital requirements through its cash reserves, bank loan and overdraft. As disclosed in note 16 the overdraft facility has been renewed post year end.

Additionally, because of the predictable nature of football club revenue streams, the Group has obtained further RCF funding post year end through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past. This facility is available for 3 years.

The Group's trading projections show that it has a reasonable expectation of staying within its currently available, and future anticipated, finance facilities for at least 12 months from the date of signing of these accounts. In preparing these trading projections, a number of additional inherent uncertainties have been identified; notably on-field performance and the resultant reduction in the Premier League domestic broadcasting merit award payment and the level of player trading.

The Directors have considered the uncertainty surrounding other inherent uncertainties and, in the event that they would be required, have identified a number of potential mitigating actions to manage any resulting forecast shortfall against current facilities including the ability within the industry to securitise additional future guaranteed revenues and flexibility around player trading.

Based on the mitigating actions referred to above, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the Annual Report and Accounts.

The Club is regulated by the rules of the FA, Premier League, UEFA and FIFA. Any change to FA, Premier League, UEFA and FIFA regulations in future could have an impact on the Group as the regulations cover areas such as: the format of competitions, Financial Fair Play, the division of broadcasting income, the eligibility of players and the operation of the transfer market. The Group monitors its compliance with all applicable rules and regulations on a continuous basis and also monitors and considers the impact of any potential changes.

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to remain consistent with 2017 in the forthcoming year. Details of significant events since the balance sheet date are contained in note 21 to the financial statements.

C Anderson
Company Secretary

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 year ended 31 May 2017.

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 profit for the year amounted to £30.6m (2016 loss: £24.3m), which has been transferred to (2016: withdrawn from) reserves. The Directors are not able to recommend the payment of a dividend (2016: 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

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Strategic Report and note 1 to the financial statements.

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 year are disclosed on page 44 (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.

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

AUDITOR

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.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

C Anderson
Company Secretary

Independent Auditor's Report

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

We have audited the financial statements of Everton Football Club Company Limited for the year ended 31 May 2017 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated cash flow statement and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent company's affairs as at 31 May 2017 and of the Group's profit 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.

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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Anthony J Farnworth BA (Hons) ACA
Senior Statutory Auditor
For and on behalf of Deloitte LLP
Statutory Auditor
Liverpool
United Kingdom
12 October 2017

Consolidated Profit and Loss Account for the year ended 31 May 2017

		2017			2016		
	Notes	Operations excluding player trading	Player trading	Total	Operations excluding player trading	Player trading	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Turnover	**1,2**	**171,330**	**-**	**171,330**	**121,541**	-	**121,541**
Operating expenses	3	(146,334)	(37,298)	(183,632)	(116,255)	(22,398)	(138,653)
Operating expenses - exceptional costs	3	-	-	-	(11,335)	-	(11,335)
		(146,334)	(37,298)	(183,632)	(127,590)	(22,398)	(149,988)
Operating profit / (loss)	**4**	**24,996**	**(37,298)**	**(12,302)**	**(6,049)**	**(22,398)**	**(28,447)**
Profit on player trading		-	51,945	51,945	-	7,815	7,815
Profit on disposal of tangible fixed assets		7	-	7	-	-	-
Profit / (loss) before interest and taxation		**25,003**	**14,647**	**39,650**	**(6,049)**	**(14,583)**	**(20,632)**
Interest receivable and similar income	5			1,801			1,354
Interest payable and similar charges	6			(3,818)			(5,055)
Interest payable and similar charges - exceptional	6			(6,966)			-
				(10,784)			(5,055)
Profit / (loss) on ordinary activities before taxation				**30,667**			**(24,333)**
Tax on profit/(loss) from ordinary activities	8			(50)			-
Profit / (loss) after taxation for the year transferred to / (withdrawn from) reserves				**30,617**			**(24,333)**

All the above amounts derive from continuing operations.

There are no recognised gains and losses for the year ended 31 May 2017 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 31 May 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	10		121,151		69,125
Tangible assets	11		11,838		8,596
			132,989		**77,721**
Current assets					
Debtors					
- Due within one year	14	36,735		16,734	
- Due after one year	14	18,728		1,928	
Investments	12	-		2,767	
Cash at bank and in hand		9,635		-	
		65,098		**21,429**	
Creditors - amounts falling due within one year	15	(80,578)		(113,182)	
Net current liabilities			**(15,480)**		**(91,753)**
Total assets less current liabilities			**117,509**		**(14,032)**
Creditors - amounts falling due after more than one year	16		(20,227)		(28,604)
Provision for liabilities	17		(5,594)		(768)
Net assets /(liabilities)			**91,688**		**(43,404)**
Capital and reserves					
Called up share capital	18		35		35
Share premium account	18		24,968		24,968
Profit and loss account - deficit	18		(37,790)		(68,407)
Other reserves	18		104,475		-
Shareholders' funds/(deficit)			**91,688**		**(43,404)**

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board on the 11 October 2017 and signed on its behalf by

W Kenwright CBE
Director

Company Balance Sheet at 31 May 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	10		121,151		69,125
Tangible assets	11		7,778		4,290
			128,929		**73,415**
Current assets					
Debtors					
- Due within one year	14	35,438		14,488	
- Due after one year	14	18,729		1,928	
Investments	12	-		-	
Cash at bank and in hand		9,512		-	
		63,679		**16,416**	
Creditors - amounts falling due within one year	15	(75,893)		(123,265)	
Net current liabilities			**(12,214)**		**(106,849)**
Total assets less current liabilities			**116,715**		**(33,434)**
Creditors - amounts falling due after more than one year	16		(19,446)		(9,215)
Provision for liabilities	17		(5,594)		(768)
Net assets /(liabilities)			**91,675**		**(43,417)**
Capital and reserves					
Called up share capital	18		35		35
Share premium account	18		24,968		24,968
Profit and loss account - deficit	18		(37,803)		(68,420)
Other reserves	18		104,475		-
Shareholders' funds/(deficit)			**91,675**		**(43,417)**

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 profit for the year was £30,617,000 (2016 loss: £25,891,000).

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board on the 11 October 2017 and signed on its behalf by

W Kenwright CBE
Director

Consolidated and Company Statements of Changes in Equity for the year ended 31 May 2017

Group

	Notes	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 June 2015		**35**	**24,968**	**(44,074)**	**-**	**(19,071)**
Loss for the year and total comprehensive expense		-	-	(24,333)	-	(24,333)
At 1 June 2016		**35**	**24,968**	**(68,407)**	**-**	**(43,404)**
Profit for the year and total comprehensive income		-	-	30,617	-	30,617
Loan from Shareholder classed as equity	18	-	-	-	104,475	104,475
At 31 May 2017		**35**	**24,968**	**(37,790)**	**104,475**	**91,688**

Company

	Notes	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 June 2015		**35**	**24,968**	**(42,529)**	**-**	**(17,526)**
Loss for the year and total comprehensive expense		-	-	(25,891)	-	(25,891)
At 1 June 2016		**35**	**24,968**	**(68,420)**	**-**	**(43,417)**
Profit for the year and total comprehensive income		-	-	30,617	-	30,617
Loan from Shareholder classed as equity	18	-	-	-	104,475	104,475
At 31 May 2017		**35**	**24,968**	**(37,803)**	**104,475**	**91,675**

Consolidated Cash Flow Statement for the year ended 31 May 2017

	Notes	2017 £'000	2016 £'000
Net cash flows from operating activities			
Profit/(loss) for the year		30,617	(24,333)
Adjustments for:			
Profit on player trading		(51,945)	(7,815)
Profit on disposal of tangible fixed assets		(7)	-
Depreciation of tangible fixed assets		2,495	1,842
Amortisation of grants		(38)	(38)
Amortisation of football staff registrations		37,298	22,398
Interest receivable and similar income		(1,801)	(1,354)
Interest payable and similar charges		10,784	5,055
Taxation		50	-
Operating cash flows before movements in working capital		**27,453**	**(4,245)**
Increase in debtors		(6,538)	(772)
Increase in creditors		1,921	12,535
Decrease in provisions		(120)	(121)
Cash generated by operations		**22,716**	**7,397**
Cash flow from investing activities			
Proceeds from disposal of players' registrations		30,823	7,687
Proceeds from sale of tangible fixed assets		7	-
Purchase of players' registrations		(70,554)	(32,391)
Purchase of tangible fixed assets		(5,737)	(1,510)
Interest received		4	109
Net cash flows from investing activities		**(45,457)**	**(26,105)**
Cash flows from financing activities			
Interest paid		(11,807)	(4,747)
Repayments of borrowings		(57,520)	(20,125)
Repayments of obligations under finance lease		(34)	(66)
New loans		-	35,000
Shareholder loans treated as equity		104,475	-
Net cash flows from financing activities		**35,114**	**10,062**
(Overdraft)/cash at bank and in hand at beginning of year		(2,737)	5,909
Net increase / (decrease) in cash		12,372	(8,646)
Cash / (overdraft) at bank and in hand at end of year		**9,635**	**(2,737)**

Notes to the Accounts for the year ended 31 May 2017

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 company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 44. The nature of the Group's operations and its principal activities are set out in the strategic report on page 45.

STATEMENT OF COMPLIANCE

The financial statements of Everton Football Club Company Limited have been prepared under the historical cost convention, 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 is 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.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 May each year. 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

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The Directors' report further describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk. During the 2016/17 season the Group met its day to day working capital requirements through its cash reserves, bank loan and overdraft. As disclosed in note 16 the overdraft facility has been renewed post year end and all bank loans present at 31 May 2016 have been repaid in the year, following investment from the major shareholder. Additionally, because of the predictable nature of football club revenue streams, the Group has obtained further funding post year end through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past. This RCF facility is a three-year facility which reduces over the term to July 2020.

The timing of the expiry of the overdraft facility in June 2018 allows the Directors and current or alternative funding partners to agree appropriate facilities for the following season based on performance in the 2017/18 Premier League season and reflect activities, including the Group's player trading activity in the January 2018 transfer window and the start of the summer 2018 transfer window. The Directors believe that it is the current lender's intention to renew the facility agreement or the Directors are confident alternative sources of funding can be put in place for the following season, in each case subject to review at the end of the current football season with the knowledge of the level of player trading over the period and with the amount and terms to be negotiated at the appropriate time. The Directors acknowledge the need for further discussion and agreement with potential funding partners, thereby giving rise to a degree of uncertainty on the final outcome regarding funding. However, the Directors consider discussions with existing and potential funders to be of appropriate comfort to them in the circumstances. In particular, the Directors consider it to be common practice for many Premier League football clubs for the exact level and terms of facilities to be reviewed at the end of each football season. Based on the ongoing dialogue with funding partners, the Directors are confident that the current facilities will be renewed at a similar level, or replaced by equivalent facilities, for the 2018/19 Premier League season.

The Group's trading projections show that it has a reasonable expectation of staying within its currently available, and future anticipated, finance facilities for at least 12 months from the date of signing of these accounts. In preparing these trading projections, a number of additional inherent uncertainties have been identified; notably on-field performance and the resultant reduction in the Premier League domestic broadcasting merit award payment and the level of player trading. The Directors have considered the net current liability position, the uncertainty surrounding the renewal of the facilities and other inherent uncertainties and, in the event that they would be required, have identified a number of potential mitigating actions to manage any resulting forecast shortfall against current facilities, including the ability within the industry to securitise additional future guaranteed revenues and flexibility around player trading. Based on the mitigating actions referred to above, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the Annual Report and Accounts.

(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.

(e) Tangible Fixed Assets and Depreciation

Depreciation is not provided on freehold land. 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.

No depreciation is provided on assets in the course of construction.

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

(f) 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.

(g)(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.

(g)(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.

(h) Intangible Fixed Assets - Players' Registrations

The cost of players' registrations, including agents' fees, is capitalised and amortised over the period of the respective players' contracts in accordance with FRS 102 section 18 'Intangible assets other than goodwill'. The transfer fee levy refund received during the year is credited against additions to intangible assets.

When a playing 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.

(i) 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).

(j) 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).

(k) 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.

(l) 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.

(m) 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.

(n) 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.

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.

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.

(o) 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.

(p) 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.

The Directors do not consider there to be any key judgements or critical estimates that must be applied.

Notes to the Accounts
for the year ended 31 May 2017 (Continued)

2 TURNOVER

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

	2017	2016
	£'000	£'000
Broadcasting	130,535	82,500
Gate receipts	14,064	17,625
Sponsorship, advertising and merchandising	15,377	9,343
Other commercial activities	11,354	12,073
	171,330	**121,541**

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 £7.5m to £179m (2016: £129m) if these operations were not outsourced.

3 OPERATING EXPENSES

	2017	2016
	£'000	£'000
Amortisation of players' registrations (note 10)	37,298	22,398
Staff costs (note 7)	104,655	83,985
Depreciation (note 11)	2,495	1,842
Other operating costs	39,184	30,428
Other operating costs - exceptional costs	-	11,335
Total operating expenses	**183,632**	**149,988**

The exceptional other operating costs of £11,335,000 in the year ended 31 May 2016 related to amounts payable to former employees and other costs in relation to the change in coaching staff in the prior year.

4 OPERATING PROFIT/(LOSS)

	2017	2016
	£'000	£'000
The operating profit/loss is stated after charging / (crediting):		
Depreciation - property	262	263
Depreciation - other	2,233	1,579
Amortisation of grants	(38)	(38)
Operating lease rentals		
Motor vehicles	310	252
Office equipment	192	127
Land and properties	1,031	1,004
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	57	55
Fees payable to the Company's auditor for the audit of the Company's subsidiaries	6	6
Total audit fees	63	61
Other non-audit services		
Tax services	82	93
Other services	63	64
Total non-audit fees	145	157

Notes to the Accounts
for the year ended 31 May 2017 (Continued)

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£'000	£'000
Bank interest receivable	1	13
Other Interest receivable	1,800	96
Change in fair value of derivatives	-	1,245
	1,801	**1,354**

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2017	2016
	£'000	£'000
Bank overdrafts	88	332
Finance leases and hire purchase agreements	4	6
Other loans	1,990	3,484
Other interest payable	1,736	1,233
	3,818	**5,055**

Interest Payable and similar charges - Exceptional	2017	2016
	£'000	£'000
Exceptional loan charges	6,966	-
	6,966	**-**

The exceptional loan charges of £6,966,000 relates to an early repayment penalty charge imposed on the Club as a result of the Club repaying a long term loan in full. The Club repaid the entire £19,959,000 of loan notes present at 31 May 2016.

7 PARTICULARS OF EMPLOYEES

Group	2017	2016
	Number	Number
The average weekly number of employees, including Executive Directors, during the year was as follows:		
Playing, training and management	117	108
Youth Academy	61	47
Marketing and Media	53	41
Management and Administration	85	81
Maintenance, Security, Pitch and Ground Safety	41	38
	357	**315**

In addition, the Group employed an average of 400 temporary staff on matchdays (2016: 445).

Aggregate payroll costs for the above employees were as follows:	2017	2016
	£'000	£'000
Wages and salaries	92,144	73,914
Social security costs	12,041	9,538
Other pension costs	470	533
	104,655	**83,985**

Company	2017	2016
	Number	Number
The average weekly number of employees, including Executive Directors, during the year was as follows:		
Playing, training and management	83	81
Youth Academy	61	47
Marketing and Media	53	41
Management and Administration	85	81
Maintenance, Security, Pitch and Ground Safety	41	38
	323	**288**

Aggregate payroll costs for the above employees were as follows:	2017	2016
	£'000	£'000
Wages and salaries	91,916	73,691
Social security costs	12,035	9,533
Other pension costs	470	533
	104,421	**83,757**

Directors' remuneration	2017	2016
	£'000	£'000
Emoluments	1,593	770
Company contributions to money purchase pension scheme	30	-
	1,623	**770**
Highest paid Director	578	400
Company contributions to money purchase pension scheme	10	-
	588	**400**

8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2017	2016
	£'000	£'000
Current and total tax charge in the year	50	-

a) Factors affecting the tax charge for the current year

The tax assessed for the year is lower (2016: higher) than that resulting from applying the effective standard rate of corporation tax in the UK: 20% (2016: 20.83%).

	2017	2016
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	30,667	(24,333)
Tax on profit/(loss) on ordinary activities at the standard rate	6,082	(4,866)
Expenses not deductible for tax purposes	1,085	272
Income not taxable for tax purposes	(8)	(8)
(Utilisation)/creation of losses	(320)	4,602
Depreciation on ineligible aseets	48	-
Deferred tax not provided	(15)	-
Rollover relief claim	(6,823)	-
Current tax charge for the year	**50**	**-**

b) Factors that may affect the future tax charge

Unrecognised deferred tax assets of the Group are £3.3m (2016: £11.3m). 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 £9.3m, less the NBV of players into which profits have been rolled over of £6.8m. Decelerated capital allowances and pension assets are also included.

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 profit for the year was £30,617,000 (2016 loss: £25,891,000).

Notes to the Accounts
for the year ended 31 May 2017 (Continued)

10 INTANGIBLE FIXED ASSETS - GROUP AND COMPANY

	Total
	£'000
Cost	
At 1 June 2016	133,991
Additions in the year	92,080
Disposals in the year	(18,824)
At 31 May 2017	**207,247**
Amortisation	
At 1 June 2016	64,866
Provided during the year	37,298
Eliminated on disposals	(16,068)
At 31 May 2017	**86,096**
Net book value	
At 31 May 2017	**121,151**
At 31 May 2016	69,125

The intangible fixed assets relate entirely to the cost of players' registrations.

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.

11 TANGIBLE FIXED ASSETS

Group

	Freehold properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2016	11,408	16,550	207	28,165
Additions in the year	-	5,737	-	5,737
Disposals in the year	-	-	(51)	(51)
At 31 May 2017	**11,408**	**22,287**	**156**	**33,851**
Depreciation				
At 1 June 2016	6,880	12,517	172	19,569
Provided during the year	262	2,202	31	2,495
On disposals	-	-	(51)	(51)
At 31 May 2017	**7,142**	**14,719**	**152**	**22,013**
Net book value				
At 31 May 2017	**4,266**	**7,568**	**4**	**11,838**
At 31 May 2016	4,528	4,033	35	8,596

Notes to the Accounts
for the year ended 31 May 2017 (Continued)

Company

	Freehold properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2016	308	16,550	207	17,065
Additions in the year	-	5,737	-	5,737
Disposals in the year	-	-	(51)	(51)
At 31 May 2017	**308**	**22,287**	**156**	**22,751**
Depreciation				
At 1 June 2016	86	12,517	172	12,775
Provided during the year	16	2,202	31	2,249
On disposals	-	-	(51)	(51)
At 31 May 2017	**102**	**14,719**	**152**	**14,973**
Net book value				
At 31 May 2017	**206**	**7,568**	**4**	**7,778**
At 31 May 2016	222	4,033	35	4,290

12 INVESTMENTS

FIXED ASSET INVESTMENTS

Company	**Subsidiary Undertakings**
	£
Cost and net book value	
As at 1 June 2016 and 31 May 2017	5

Details of Company's subsidiaries as at 31 May 2017, 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
The Everton Ladies Football Club Limited	100	Professional football club
Everton Stadium Development Limited	100	Development company

CURRENT ASSET INVESTMENTS

Group

Current asset investments consist of four month treasury deposits of £nil (2016: £2,767,000).

13 LEASE COMMITMENTS

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

	Land and Properties		Other		Total	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Expiring within one year	-	-	124	9	124	9
Expiring between two and five years	298	441	245	748	543	1,189
Expiring in more than five years	60,690	61,614	-	-	60,690	61,614
	60,988	**62,055**	**369**	**757**	**61,357**	**62,812**

Notes to the Accounts
for the year ended 31 May 2017 (Continued)

14 DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	35,927	14,383	35,438	12,166
Other debtors	-	1	-	-
Prepayments and accrued income	808	2,350	-	2,322
	36,735	**16,734**	**35,438**	**14,488**
Amounts falling due after one year:				
Trade debtors	18,728	1,928	18,729	1,928
	18,728	**1,928**	**18,729**	**1,928**

15 CREDITORS - AMOUNTS FALLING WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank overdraft (secured)	-	2,737	-	4,793
Other loans (note 16)	-	36,213	-	35,000
Obligations under finance lease and hire purchase agreements	20	34	20	34
Trade creditors	32,547	15,228	32,537	15,206
Accruals and deferred income	34,455	49,907	23,890	38,216
Derivative financial instrument liability	-	218	-	218
Amounts due to subsidiaries	-	-	4,772	20,256
Social security and other taxes	13,556	8,845	14,674	9,542
	80,578	**113,182**	**75,893**	**123,265**

16 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Other loans (see borrowings below)	-	18,570	-	-
Obligations under finance lease and hire purchase agreements	-	20	-	20
Trade creditors	13,964	2,499	13,964	2,499
Accruals and deferred income	6,263	7,515	5,482	6,696
	20,227	**28,604**	**19,446**	**9,215**

BORROWINGS

Group

	Bank Overdraft		Other loans		Finance leases and hire purchase		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of borrowings Payable by instalments:								
Within one year	-	2,737	-	36,213	20	34	20	38,984
Between one and two years	-	-	-	1,307	-	20	-	1,327
Between two and five years	-	-	-	4,564	-	-	-	4,564
After more than five years	-	-	-	12,875	-	-	-	12,875
Prepaid finance costs	-	-	-	(176)	-	-	-	(176)
	-	**2,737**	**-**	**54,783**	**20**	**54**	**20**	**57,574**

Company

	Bank Overdraft		Other loans		Finance leases and hire purchase		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of borrowings Payable by instalments:								
Within one year	-	4,793	-	35,000	20	34	20	39,827
Between one and two years	-	-	-	-	-	20	-	20
	-	**4,793**	**-**	**35,000**	**20**	**54**	**20**	**39,847**

Notes to the Accounts for the year ended 31 May 2017 (Continued)

The bank overdraft is principally secured via a lightweight floating charge over all the assets and undertakings (excluding Goodison Park Stadium) of the Company. This overdraft facility has been renewed post year end.

In the prior year, other loans included £19,959,000 of loan notes which at inception of the loan, 30 September 2002, had a repayable schedule of annual instalments over a 25-year period at a fixed interest rate of 7.79%. The first payment under the agreement was made on 30 September 2002 amounting to £1,588,000 with subsequent annual payments of £2,767,000 (including interest) occurring each year since. These annual repayments had been made via a securitisation agreement serviced by future Season Ticket sales.

The original costs incurred when raising the original loan finance agreement, amounting to £710,000, had been offset at inception against the original £30,000,000 loan, and are contained within prepaid finance costs and have been charged annually to the profit and loss in line with the annual repayments.

This loan has been repaid in full during the year.

Also included in other loans at 31 May 2016 was a £35,000,000 loan which was secured by legal charges over the Company's guaranteed Premier League broadcast revenues. This loan incurred interest at a rate of 5.2% and was fully repaid during the year.

17 PROVISION FOR LIABILITIES

	Group and Company		
	Pensions (note 20)	**Contingent appearance fees**	**Total**
	£'000	**£'000**	**£'000**
At 1 June 2016	371	397	768
Utilised in the year	(120)	(1,905)	(2,025)
Provided in the year	-	6,851	6,851
At 31 May 2017	**251**	**5,343**	**5,594**

The contingent appearance fees and pension provision are expected to be utilised within 5 and 6 years respectively.

There are no amounts provided for deferred tax at 31 May 2017 or 31 May 2016.

18 SHARE CAPITAL AND RESERVES

The Group and Company's Share Capital

	2017	**2016**
	£'000	**£'000**
Allotted, issued and fully paid		
35,000 ordinary shares of £1 each	35	35

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 £105,000,000 provided by Bluesky Capital Limited, a company controlled by Mr Moshiri. The loan is to be repaid at a date to be agreed by Bluesky Capital Limited and Everton Football Club Company Limited. In accordance with FRS 102.22 the loan has therefore been classified as equity. Loan arrangement fees of £525,000 have been deducted from equity in accordance with FRS 102.22.9.

19 CONTINGENT LIABILITIES

No provision is included in the accounts for transfer fees of £32,169,000 (2016: £17,973,000) which are, as at 31 May 2017, 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 31 May 2017, of £18,410,000 (2016: £17,075,000) which would become due to certain players if they are still in the service of the Club on specific future dates.

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 £470,000 (2016: £533,000).

21 POST BALANCE SHEET EVENTS

Since 31 May 2017, the Club has entered into transfer agreements for confirmed contracted net transfer fees payable of £60,639,000.

The Club has entered into a three year RCF facility, and renewed a bank overdraft facility for a 12-month period.

Since 31 May 2017, the Club's major shareholder has provided further interest free loans of £45,000,000 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 31 May 2016 Everton Football Club Company Limited employees held two of the six Trustee positions at the Charity. During the year Everton Football Club Company Limited incurred net operating costs of £303,000 (2015: £121,000) on behalf of the Charity.

During the year the Club's major shareholder has provided interest free loans of £104,475,000, included in equity, with no agreed repayment date. The balance outstanding at year end was £104,475,000. This funding has been used to reduce the Club's long term debt by repaying the external loans balance of £57,520,000 and to pay exceptional items.

During the year the Club received naming rights income in respect of Finch Farm training complex of £6,000,000 (2016: nil) from USM Services Limited. The Club's major shareholder is a shareholder of USM Holdings, a parent company of USM Services Limited.

23 CAPITAL COMMITMENTS

There were no capital commitments at 31 May 2017 or 31 May 2016 in the company or Group.

Notes to the Accounts
for the year ended 31 May 2017 (Continued)

24 FINANCIAL INSTRUMENTS

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

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Financial assets				
Measured at amortised cost:				
Trade debtors	18,728	1,928	18,729	1,928
Measured at undiscounted amounts receivable:				
Trade debtors and other debtors	36,735	16,734	35,438	14,488
	55,463	**18,662**	**54,167**	**16,416**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Financial liabilities				
Measured at fair value:				
Derivative financial instruments	-	218	-	218
Measured at amortised cost				
Trade creditors	13,964	2,499	13,964	2,499
Obligator under finance leases	20	54	20	54
Measured at undiscounted amount payable				
Bank loans and overdrafts	-	57,520	-	39,793
Trade and other creditors	86,821	81,495	76,583	69,660
Amounts owed to subsidiaries	-	-	4,772	20,256
	100,805	**141,786**	**95,339**	**132,480**

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

	Group	
	2017	2016
	£'000	£'000
Income and expense		
Total interest income for financial assets at amortised cost	1,801	109
Total interest expense for financial liabilities at amortised cost	(3,818)	(1,239)
Fair value gains and (losses)		
On derivative financial instruments	218	1,245

25 DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Company	
	2017	2016
	£'000	£'000
Current liabilities		
Forward foreign currency contracts	-	218

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

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1892 - 2017
125 YEARS OF GOODISON PARK