ANNUAL REPORT & ACCOUNTS.

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Forewords

Year Review

Accounts

Note

The Foreword section (Pages 3-8) and the Year Review section (Pages 9-50) do not form part of the statutory financial statements.

Chairman

BILL KENWRIGHT

The toughest of years

Naturally, each year my foreword is filled with reflection. Reflections of the highs and lows of our teams over the last 12-months, reflections and memories of those we've sadly lost and reflections that, I hope, give us reason to be optimistic for the year ahead.

And this year, all these emotions have been there again – but more intense and more profound than at any other time I can remember.

We all know what a challenging 12-months this has been for so many in our country and our community. Everyone has been affected by the coronavirus in some form or other and Liverpool has been one of the most affected cities as we emerge from another national lockdown.

At times like this we need hope, courage, and strong leadership - so it's comforting for me, as I am sure it is for you too, that we have all of this in abundance at Everton.

I could not be more grateful for the exemplary leadership shown by Denise and her senior team since March. Not only just for Everton, but as she became one of the most admired CEOs in the Premier League as she campaigned both for Everton and for football.

We were swift and efficient in closing our sites and equally efficient – and most importantly careful and safe - in re-opening them to get the team back training in the Spring. The effort and attention to detail required to keep our sites Covid-secure for our players and our colleagues and to host matches safely shouldn't be underestimated.

From prioritising the wellbeing of our staff and, together with the Board and Majority Shareholder, ensuring everyone – whether casual or permanent - was paid in full, to the incredible Blue Family initiative, they have stepped up and done the right thing as, I'm pleased to say, Evertonians would expect.

And, as I would expect - but never take for granted - Evertonians have stepped up too. The indefatigable character and togetherness shown by our supporters has been truly awesome and completely humbling.

I salute not only the spirit, but also the care and compassion, you have shown this year...

Pride in our Blue Family

I've said it before and I'll say it again, we are blessed at Everton to have the best supporters in the league...if not in the world. And this last year has proved it more than ever. While many other clubs and individuals have stepped in to put their weight behind the response to COVID-19, few, if any, can match the level of support provided by our Everton Family.

Within hours of closing our sites we had our community teams out on the streets delivering emergency food parcels and providing crisis support. We had members of our Fan Centre – who would usually be helping supporters with ticket purchases – making outbound calls to check-in on the elderly and vulnerable in our community. And we had hundreds and hundreds of supporters phoning and emailing us asking whether they could donate time or money to help those who needed it more than they did. So touching...so classy...so Everton.

Alongside Carlo and our players, I was privileged to make calls to supporters throughout that first lockdown and was inspired by the selflessness of those who I spoke with. Many of them were in poor health or facing financial challenges, but every one of them was more concerned about others than they were with their own situation. And, of course, they were all missing their visits to their beloved Goodison. Those calls filled me with pride and showed me once again just how wonderful and generous our supporters are.

And to my friends at the Supporters' Club I spoke to - who not only donated refunds but also the kitty that they had saved up for the cancelled away trip to Sheffield United - you have my complete and utter respect and thanks - The People's Club personified!

By the end of October, the Community team, enabled by donations from our fans, had supported more than 22,000 families and individuals across our city region. And that work is ongoing as the challenges posed by the pandemic continue. Thousands of lives have already been changed and many no doubt saved through the help of supporters.

Thank you, Duncan

I wrote my review last year just before we parted company with Marco Silva. We were all desperate for Marco to succeed and there were several times under his leadership that we thought he was finding the right formula. Ultimately, the results and run of form we were in meant we had to make a change. We all wished Marco good-luck and hope he has a successful career ahead of him.

With less than 48 hours before our game against Chelsea we needed a plan. Actually, we needed a plan, and we needed a hero. And boy did we get both!!! The big fella!!

Duncan threw himself into the role of caretaker manager with a passion and determination that thrilled us all. But it wasn't just about Duncan's passion, he changed our tactics and his changes delivered fantastic results against tough opposition as we went undefeated to Chelsea, Manchester United, Arsenal and Leicester (in normal time at least).

Thank you, Duncan, for doing such a brilliant job last December and for everything you have done to support our new manager, Carlo Ancelotti.

Carlo Magnifico!

Evertonians were, understandably, hugely excited when we announced Carlo as our new manager.

Wins on the road at Newcastle and Watford in a period between Boxing Day and March - where our only defeats in the league came at the Etihad, the Emirates and Stamford Bridge - showed signs of stability and progress on the pitch.

And while performances and results tailed off as we played out the season behind-closed-doors, it was great to see Andre getting more minutes on the field and the emergence of Jarrad Branthwaite and Anthony Gordon who both showed great promise.

Carlo, Davide, and Duncan deserve credit for what they achieved during a very challenging few months - and for giving us reasons to be optimistic for this season and the seasons ahead.

Carlo also deserves great credit for the role he played in re-shaping our squad during the summer. We knew it was going to be an important window for us as we needed to bring in some key players while also reducing the size of our first-team squad. Marcel was of course highly influential in this, and I did my bit.

We thank Morgan, Maarten, Oumar, Sandro, Cuco, Kieran, Fraser, Luke and Djibril for their service over the years and wish them well for the future.

We were all delighted with the start made by our summer arrivals James Rodriguez, Allan and Abdoulaye Doucoure. They immediately developed an understanding and played with great power - and that touch of flair - Evertonians love. Our early season form was tremendous and exciting. I honestly felt like doing cartwheels down the M25 after watching our opening day win at Spurs! And, as we eased into the last eight of the Carabao Cup, our thoughts started turning to the prospect of silverware... and, of course, we were top of the league as we went into the first international break of the season...

The Spirit of the Blues

October saw a significant round of international fixtures as 'DCL' became England's number 9 and scored on his debut and Richarlison was also doing what he does best, leading the line with energy – and scoring - for Brazil. Evertonians were rightfully full of pride and optimism.

My favourite image of the season so far has been our boys warming up with enormous smiles on their faces set to the theme of Spirit of the Blues - as just about every other image and video clip was during October. Those video clips were great fun and a great sign of the happiness and togetherness of Evertonians. Forced apart by Covid restrictions but brought together virtually through hilarious online banter and a classic Everton tune!

Thank you to everyone who helped get that classic Everton track to number one in the iTunes chart and put huge smiles on countless faces right across the planet. And particular thanks to Matt 'FinKitch' who got the ball rolling on Twitter. The Spirit of the Blues was strong indeed!

Over the same period, more than 15,000 of us made friends with Michael on Twitter. What can I say about my Top Man? He is a very special person - and has brought so many people together in a positive and upbeat way that has been wonderful to witness.

And, despite the injuries and suspensions which impacted our performances and, in turn, our results in late October and early November - I am writing this just after a victory at Fulham – it remains a positive and promising start to the campaign.

When we talk of progression, the strides taken by our Everton Women have been significant in the last 12-months.

Willie Kirk's side has enjoyed a tremendous start to their 2020/21 WSL campaign and were so unlucky to just come up short at the 2020 FA Cup Final at Wembley.

Congratulations to Willie and his team for their achievements so far - and thank you to Denise as Chair of the Women's Board alongside Sasha Ryazantsev as Managing Director and Sarvar Ismailov as Commercial and Sporting Director for what they have done to enable that progress.

There is so much to provide us cause for optimism as we look to 2021, including the changes that have been put in place in our Academy to further embed the One Club ethos which is so important to us.

With David Unsworth now undertaking an expanded role as Academy Director and Under-23 manager, I am sure the development of our future stars will continue apace. That he is being supported by Leighton is tremendous. I was so pleased that he took up the role of professional development coach and I know he will be a huge success. Could you imagine Everton without Leighton Baines!?

Thank you, Farhad

In such a challenging year, particularly in financial terms, we should be hugely thankful to have such a committed owner in Farhad.

As he has done every single year, he has provided finance to support the manager's squad improvements. Also, of course, he continues to be fully supportive to our new stadium project.

We remain tremendously grateful for how much he has put into the Club, not just in financial terms but also in terms of commitment and passion.

Back soon...and back stronger

You don't need me to tell you once again how tough this last year has been... but I know we will get through this. The strength and determination that runs through all aspects of our Club will ensure we do.

For now, we can only imagine what it will be like to be back at a packed-out Goodison and to once again to hear that siren and those first drumbeats of Z-cars – surely it will provide an emotional experience like little we've felt before.

Until then, please stay strong, please stay safe and please know the Board of Directors, Farhad and myself are forever proud and grateful for the support you have continued to give us – and each other – over the last 12-months.

With my love and respect.

Chairman Bill

Chief Executive Officer

DENISE BARRETT-BAXENDALE

A year of progress despite the challenges

The past year has been unlike any we have ever experienced. The COVID-19 pandemic has created upheaval and anguish on a global scale, while also challenging the smallest details of our everyday lives.

And so I would like to take this opportunity to express my deepest sympathies to anyone who has been personally affected by the virus.

At the time of writing, many of us at Everton are continuing to work remotely. I am pleased, though, to confirm the energy, passion and commitment of our players and staff is as high as it has ever been. Their adaptability and capability to continue to deliver for the Football Club - and our local community - throughout this pandemic is something we should all be proud of.

Like many businesses, technology is enabling us to be remain connected and I am pleased to report we have continued to make progress in many key areas this year.

Footballing progress

The appointment of Carlo Ancelotti immediately lifted the Club. It is a signal of Everton's intent and ambition in appointing a serial winner. Carlo's experience has brought stability and progression to our football. Working alongside Duncan and Davide, we've seen Carlo lead the side to some memorable home and away wins before lockdown as well as getting the best out of players like Dominic Calvert-Lewin, Michael Keane, Lucas Digne and Mason Holgate. That progression has continued with an impressive start to the 2020/21 Premier League season where we are currently well positioned in our ambition to challenge at the top of the league and secure European football next season.

Significant stadium progress

I've previously outlined how a new stadium is a key part of our future and our long-term business plan. The drive and desire to make this project happen from within the business, amongst our fanbase and across the wider city region has been evident throughout the year.

A key milestone in the project was passed at the end of 2019 with the submission of our planning application to Liverpool City Council. This was followed by an outline application for a re-imagined Goodison Park site. And, despite the inevitable impact of the COVID-19 pandemic on the development sector, we have continued to take positive steps and make progress in 2020 whilst we await the outcome of those applications.

We undertook a rigorous selection process before appointing Laing O'Rourke as the Club's preferred building contractor. Positive stakeholder engagement continued during the spring and summer months - with local and national politicians, civil servants and business leaders making it clear they understand how the combination of a new stadium and a Goodison legacy project offer enormous public benefits. Indeed, it provides a unique opportunity for not just the Liverpool City Region but the 'levelling up' of our country.

As the year ends, we have made amendments to our stadium planning application following feedback from statutory consultees and we now look forward to a planning determination for both Bramley-Moore Dock and Goodison Park. It is still our ambition that remediation and building work will commence in the early months of 2021, subject to planning approval and the finalisation of funding.

Renaissance of Everton Women

We have a very clear 'One Club' vison which has been embodied by the progress made by Everton Women this year.

I was proud to also take on the role of Chair of the new Strategic Leadership team for Everton Women in March - focusing on bringing success and mirroring the strategic vision we have developed for Carlo Ancelotti's team.

We are building a structure that is geared for success in all areas of operation and we make no secret of our desire to compete for silverware at every level of this football club.

This year we have made progressive and significant steps in not only bringing our men's and women's teams closer together in identity and location at USM Finch Farm, but also putting in place the structures which allow for the injection of additional funds for scouting as well as recruitment.

The WSL is regarded as the premier women's league in Europe, if not the world, with an influx of international stars. We've already seen Everton Women benefit from access to enhanced commercial opportunities through our partnership with Lil-Lets last season and our new principal partnership deal with Megafon this campaign. With increased marketing, promotion, media and digital coverage - and having already reached an FA Cup final following a promising start to the 2020/21 league season - the next few years are going to be very exciting for Everton Women.

Spreading the word

The global pandemic has inevitably checked some of our momentum in delivering aspects of our international plan. While not being able to physically visit some of our target markets, we have been able to make progress in other ways.

North and South America are key territories for us. Our transfer activity this summer, including the signing of James Rodriguez, has accelerated our international growth plans in this region. We have an office in North America planned and some exciting engagement, partnership and commercial activities that are progressing at pace.

The international nature of our partnership portfolio has also continued to expand. We welcomed British online car retailer Cazoo as our principal partner and Danish sportswear brand hummel as our technical partner, while Italian food giant Fratelli Beretta re-committed their support as Everton Academy's official partner.

International facing brands USM/Megafon, Davanti Tyres and eToro renewed or expanded their agreements while Parimatch signed up to become the Club's official betting partner in Europe and the Commonwealth of Independent States.

Over the past year we have been working directly with fans to expand our network of officially affiliated supporters' clubs to record levels. Our growing Everton International Academy Affiliate Programme is also a key component of our international engagement plans, with partner clubs signed up in North and South America as well as Australia. We look forward to building lasting bonds with our new affiliates and their communities - as well as welcoming more clubs to our innovative programme.

Response to COVID-19

The impact of the pandemic has been significant on so many levels. Indeed, the financial impact is clearly presented in these 2019/20 Accounts.

But, in the face of such unprecedented circumstances, it is also important to reflect on the way in which we responded to the challenges we were presented with. We mobilised our organisation to support the relief efforts locally and nationally. Everton was the first football club to launch an outreach campaign and I am proud of the activity undertaken as part of that Blue Family initiative, which has so far supported more than 20,000 people across Merseyside and beyond.

As part of the Club-wide campaign I had the opportunity of speaking to supporters, some of whom were left isolated by the pandemic, some who were dealing with close family being struck by the virus and others who had played a vital part in helping brighten the lives of fellow Evertonians during such a very uncertain period.

How we respond to challenges speaks to the essence of who we are. The spirit, resilience and generosity of Evertonians shows a strength of purpose that is deep rooted in our Club's values and DNA. This was highlighted when Season Ticket Members raised more than £400,000 in donations for our Blue Family. That generosity inspired our Chairman Bill Kenwright and Majority Shareholder Mr Moshiri to match that amount and raise even more money to support those in need.

The business structures we have put in place over the past two years, including a real focus on risk and governance, enabled us to respond and adapt quickly to the new reality created by COVID-19. While we continue to face clear financial challenges during this uncertain period, every decision we have made in 2020 has been underpinned by our commitment to being fair - and doing the right thing by our Club, our fans, our staff and our players.

We have been ably supported by our lending partners, Rights and Media Funding Limited and Metro Bank PLC, who have been incredible in working with us and supporting our short, medium and long-term plans.

I would also like to thank the Everton Board, Everton Leadership Team, Carlo Ancelotti, David Unsworth and Willie Kirk who have led from the front in communicating the necessity of what we are doing to all of our players. The duty of care we all have for each other - and for our Club – has never been more apparent.

We all understand the frustration our fans have felt at not being able to watch games in person – we feel exactly the same. Goodison Park simply is not the same without our fans.

Looking forward, we have a robust plan to navigate the next 12 months and we continue to believe our long-term strategy is the right one. This annual report - and the numbers you'll see in the statement of accounts - highlight the progress and investment we continue to make in all areas of our Club. That is something that is only possible due to the incredible leadership and support from our Chairman and Majority Shareholder.

Director of Football

MARCEL BRANDS

Shaping our future

As a Club, we began shaping our objectives for the summer market as soon as Carlo became our manager in December 2019, putting a lot of focus on the preparation and work needed for the 2020/21 season to ensure our long-term vision aligned with the immediate requirements to develop the team.

In that respect, the overall objective was to sign players who would immediately improve the team - immediately be capable of stepping into the starting line-up to enhance the balance and quality of the side. Recruitment is more difficult when you are looking for players ready to improve the first team immediately. Those difficulties increased this year because of the coronavirus pandemic and the uncertainty that brought for so many clubs and so many leagues.

Carlo, myself, the owner and the Board worked very closely to ensure our plan was in place well in advance of the transfer window opening. Recruitment is a collective effort and from start to finish covers so many phases. We entered the market clear about exactly what was needed and, despite the challenges posed by the pandemic, were able to do virtually all of our business before the new season got under way - despite it being a much shorter pre-season than normal.

Achieving clear priorities

From the outset, the priority of the Club was to secure at least one midfielder – two if they were both players with potential to have an immediate impact – one wide player and one central defender. But we also had to give consideration to left-back. And so, the first signing of the summer was Niels Nkounkou. We had tracked him for nine months and originally thought he would go initially into our Under-23s to learn about the Club and playing in England.

However, when Leighton decided it was the right time for him to retire, Carlo and I talked about looking at Niels in the first weeks of training to see whether he could adapt immediately to being part of the senior squad. He did adapt. Really, really well. He is a quiet, humble boy - but he is confident and has already demonstrated his qualities and his huge potential for the future in the games he's played.

Whilst Niels is a player with an exciting future, we felt the new additions in midfield and in the wide position needed to be capable immediately of going into the first team on a regular basis. Along with a central defender, we felt adding to our midfield would give us the depth of quality necessary in every position to maintain the levels of consistency crucial in the Premier League.

We wanted to strengthen our midfield defensively and Allan was the perfect player for that task. He is a player Carlo already knew very well - and that gave us the added confidence he would fulfil the role exactly as we wanted him to. His experience and character make him valuable in our team and he was focused intently on playing for Everton. After signing Allan, we knew there was a chance with Abdoulaye Doucoure. He is a player we have watched for two years and Carlo is a big admirer of his style. He is skilful, has physical strength and is a box-to-box midfielder, which is a big asset. When we spoke with him, he made it clear he only wanted to join Everton. He had serious interest from other clubs but he did not want to talk with them, which was a strong message to us. And, alongside Allan, he has added depth and quality to our midfield options - the benefits of which have been evident this season.

Sending a message

Our plan for a new winger was specifically to bring a left-footed player into the squad to operate from the right side. We wanted more goals and assists from that area – but players of the necessary quality who fitted our criteria were limited.

Early in the market we discussed James Rodriguez and Carlo was really positive about the player from his previous experience having worked with him. When you start the process of trying to recruit this kind of player it can feel like an impossible mission. But with Carlo as our manager - and the support and backing of our owner - we were able to make significant progress and, very quickly, it was apparent James was excited about the prospect of coming to Everton.

That really motivated us to make the deal happen - and it speaks volumes for the combined efforts of the key people across the Club that he is now an Everton player. His was a signing which sent a real message of intent to our squad - and the rest of the league. Not only does he bring us the rare qualities we were looking to add to the team - he brings a level of experience and excellence that has clearly improved us as a team and a squad.

A bright future

Having started the season so well, there remained the central-defensive position we were keen to add to in order to add competition in that area. Securing Ben Godfrey was something which excited us greatly. He is a hugely talented player with a very bright future here at the Club.

At 22, he is young but, as captain of England Under-21s, it is clear he is a leader. And he is confident. He is also versatile and every time we asked people about him, we were told he is an excellent professional.

The final signing of the transfer window was Robin Olsen. We wanted an experienced goalkeeper to fill the gap left by Maarten Stekelenburg's return to Ajax in the summer. Robin is an experienced Sweden international who has played at a World Cup and with some big clubs across Europe. You cannot have success without squad depth - and we are now much stronger than we were a year ago, thanks to the additions we have made in the last year.

There remains work to be done - but the progress towards our vision of delivering regular European football and silverware has been notable over the last year. We also remain focused on reducing the squad size, recouping revenue for the Club whilst also finding the right solutions for players' careers.

Implementing a new structure

This year has also seen us do a great deal of work on implementing new ideas for our football department. We were keen to add even more Everton DNA into our Academy and with new roles for David Unsworth and Leighton Baines, we have certainly achieved that.

David is a Club icon and knows what is expected from Everton players. He has delivered consistent success with our Under-23s and has never lost sight of the objective to maintain a clear pathway for progression through the Academy and into the senior ranks. The appointment of John Ebbrell, alongside David, as our Head of Academy Coaching adds to that cohesion - and is hugely exciting for the future of our player development pathways.

Leighton is part of that new structure and will help our Under-18 and Under-23 prospects understand what is expected of them as Everton players in order to become successful in our very special football club. We want former players involved in the Club and Academy to sustain Everton's rich culture and help maintain a clear route for young players to reach the senior squad.

Ultimately, the reason we are all here is to work hard for Evertonians. To do this job is an honour. There is a feeling of optimism around Everton and the only thing missing is our supporters. We cannot wait to welcome them back to Goodison - and on the road for our away games. Football isn't the same without fans - and ours are very special indeed.

YEAR REVIEW 19/20

BIG DUNC ANSWERS THE CALL

When Everton's search for a new manager began in early December 2019 following the departure of Marco Silva, the Board did not need to look too far for an ideal candidate to temporarily fill the void. A hero to an entire generation of Evertonians, Duncan Ferguson successfully stepped up from his position as First-Team coach to lead the Blues to a stirring 3-1 victory over Chelsea in his first game and went unbeaten in three league contests - also picking up draws against Manchester United and Arsenal - before handing over the reins to Carlo Ancelotti. 'Big Dunc' brought passion back to the Blues... and his celebrations will live long in the memory!

SERIAL-WINNER ANCELOTTI ARRIVES

On 21 December 2019, Everton made one of the most significant managerial appointments in the Club's history, confirming the arrival of three-times Champions League winning boss Carlo Ancelotti. The Italian brought with him to Goodison Park a track record boasting no fewer than 20 major honours amassed in five different countries. And that's not to mention the three Serie A titles and two European Cups he won with AS Roma and AC Milan as a revered midfielder in the 1980s and early 1990s. One of only three managers to lift the European Cup/Champions League on three occasions – Bob Paisley and Zinedine Zidane being the others – Everton's capture of Ancelotti was heralded as a coup.

DCL HITS EXCITING HEIGHTS

Dixie Dean, Bob Latchford, Graeme Sharp, Duncan Ferguson... a player could easily feel burdened by the weight of Everton's famous number 9 shirt. Not Dominic Calvert-Lewin. The assured striker - aged just 22 when the 2019/20 season began - requested to take over the famous jersey and duly delivered his most productive campaign to date. He hit 15 goals in all competitions - including the first of the Carlo Ancelotti era against Burnley on Boxing Day - and earned himself a new five-year contract in March 2020. Calvert-Lewin then started the 2020/21 campaign in sensational form – scoring two hat-tricks, topping the Premier League goal chart, netting on his England debut and winning the Premier League Player of the Month for September.

EMERGING TALENT POINTS TO A BRIGHT FUTURE

Everton tied down the futures of four of its brightest young prospects over the course of the 2019/20 season, with forwards Richarlison and Dominic Calvert-Lewin (both aged 22) and defenders Mason Holgate (23) and Lewis Gibson (20) all putting pen to paper on new deals at Goodison Park. They were followed ahead of the start of the 2020/21 campaign by 19-year-old Academy graduate Anthony Gordon, the forward getting his reward for an encouraging First-Team breakthrough in 2019/20. The emergence of Jarrad Branthwaite and the arrivals of Niels Nkounkou and Ben Godfrey further added to the excitement for the future.*

*Ages at time new contracts were signed.

RETURN TO L4 FOR OUR WSL STARS

Having played their home matches in Widnes and Southport for much of the last decade, Everton Women finally returned to the city of Liverpool in February 2020 when they hosted their first game at a purpose-built new home in Walton Hall Park. The outbreak of the coronavirus pandemic sadly meant the much-anticipated opening fixture at the stadium - a narrow 3-2 defeat against Manchester United - was to prove Everton's last of the campaign. Still, the occasion remained a momentous one for Willie Kirk's upwardly mobile side, with their residence in the city now secured for years to come.

BLUE FAMILY UNITES IN THE HOUR OF NEED

On 13 March 2020, just days before the Merseyside derby was due to be played at Goodison Park, the outbreak of COVID-19 brought about the suspension of professional football across Britain. When - or even if - the season would resume was unknown. What was clear was that vulnerable people across the region were going to be left isolated and in need of help. Within 72 hours of football's suspension, Everton Football Club had launched The Blue Family campaign - a promise to quickly get support to those who needed it most.

Carlo Ancelotti, players from the Club's First Team, Under-23s and Women's teams and supporters all got involved, helping Everton in the Community staff deliver a vital outreach programme that, among other key services, provided check-in phone calls, emergency food parcels, financial support and the delivery of medicines.

NEW PARTNERS PROVIDE BOOST

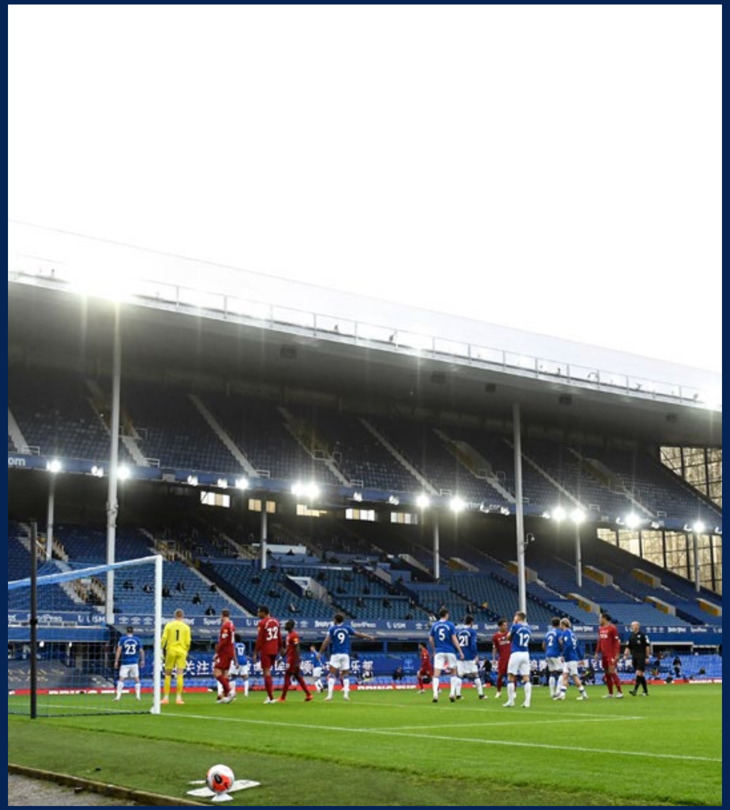
In June 2020, Everton announced Cazoo, one of the UK's fastest-growing new e-commerce businesses, would be taking over as the Club's Principal Partner, replacing SportPesa. The multi-year deal with the car retailer will see its name and branding feature on the front of Everton's First-Team playing and training kits from 2020/21 onwards, with Chief Executive Officer, Denise Barrett-Baxendale saying Cazoo's "focus on innovation and future development complement perfectly our own ambitions as we embark on an exciting new chapter for the Club".

FOOTBALL RETURNS - BEHIND CLOSED DOORS

On 21 June 2020, Everton's players pulled on the iconic royal blue jerseys and headed out of the Goodison Park tunnel to take part in a Premier League football match for the first time in 105 days.

The tunnel was familiar, the sound of Z-Cars, too. The contest was a Merseyside derby, no less. Yet, this wasn't football as we knew it. At the moment Carlo Ancelotti's side should have been greeted by the galvanising roar of 40,000 impassioned Evertonians, they were met instead by empty seats.

It was time for the show to go on but football's resumption following the suspension forced by COVID-19 - one without our unique and cherished fan base - will forever remain one of the most disorientating footnotes in footballing history.

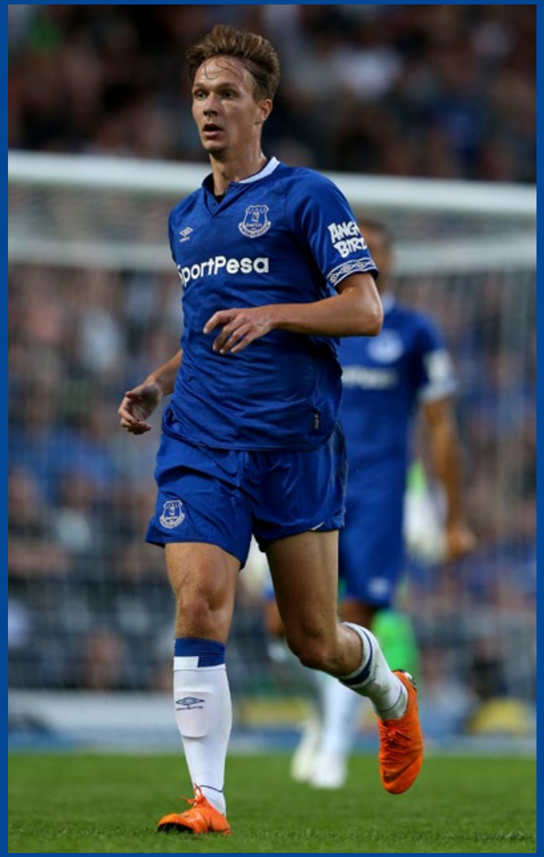


NEW HOME MOVES CLOSER

The year 2019 ended with a planning application for Everton's proposed new stadium at Bramley-Moore Dock being submitted to Liverpool City Council and, despite the subsequent impact of the COVID-19 outbreak, the project has continued to take positive steps in 2020. Laing O'Rourke was appointed as the Club's preferred building contractor in February and stakeholder engagement continued during the spring and summer months as the project team was finalised. Design changes to address feedback from statutory consultees to the original planning application - including the introduction of a stepped plaza to the stadium's West Stand - led to an amendment being lodged in September, with the Council completing a public consultation on the plans in October. Subject to planning approval, the Club is focused on work commencing on the site in the early months of 2021.

A SUMMER OF FAREWELLS

As with any transfer window, new faces arriving meant it was also time to say goodbye to players ending their journeys here. After four seasons with the Toffees, goalkeeper Maarten Stekelenburg went home to Ajax, the club where he began his career. Right-back Djibril Sidibe returned to Monaco at the conclusion of his loan contract, while Academy graduates Fraser Hornby and Kieran Dowell moved on to Stade de Reims and Norwich City respectively. Like Stekelenburg, Sandro Ramirez and Morgan Schneiderlin headed back to their homelands, joining Spain's SD Huesca and French side Nice respectively. Cuco Martina, Oumar Niasse and Luke Garbutt also moved on as their contracts expired.

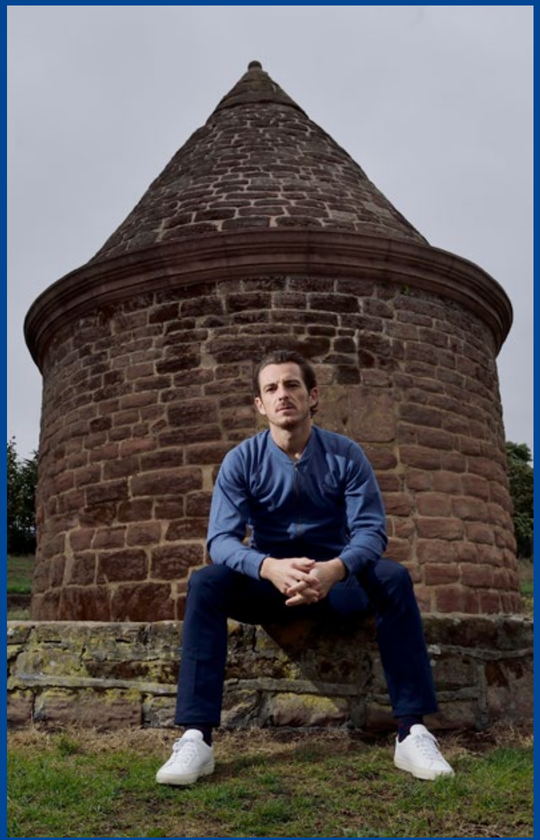


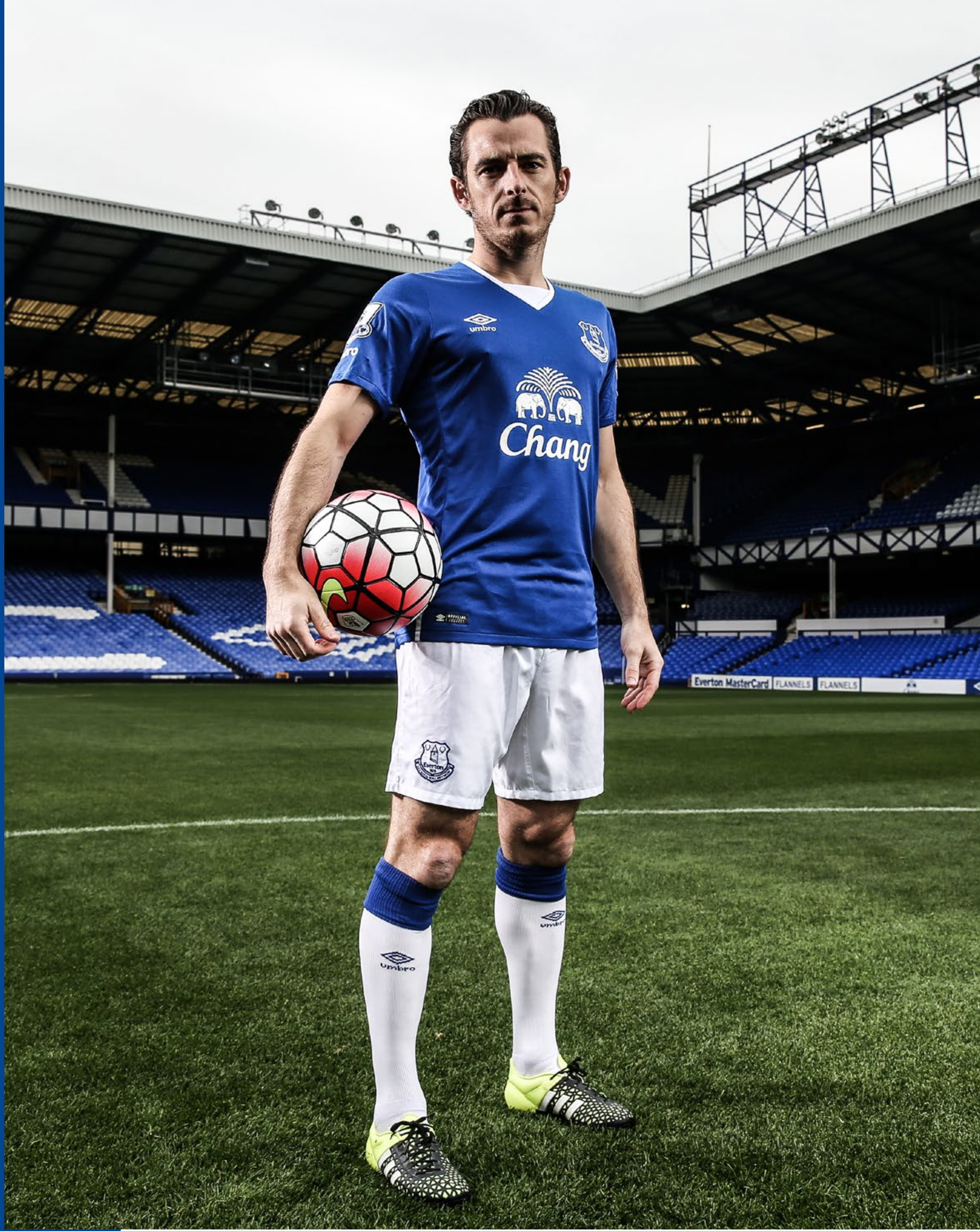
BLUES BLAZE A TRAIL TO WEMBLEY

November 2020 saw Willie Kirk walk his Everton side out at Wembley to take on holders Manchester City in the Women's FA Cup final. With Everton having seen off London Bees and Bristol City in the early rounds, the competition was suspended in March due to the coronavirus pandemic. However, two victories in the space of four September days - a stunning Goodison Park comeback victory over WSL champions Chelsea preceding a convincing semi-final defeat of Birmingham City - set up a trip to the national stadium for the delayed showpiece. A brave Everton performance couldn't stop City securing a 3-1 victory in extra-time, but proud boss Kirk immediately set his sights on his exciting young team challenging for further silverware this season - and beyond.

BAINES RETIRES TO EMBARK ON NEW ADVENTURE

Within minutes of the full-time whistle blowing at Goodison Park to signal the end of Everton's 2019/20 campaign, Leighton Baines announced his 420th Blues appearance had also been his last. The left-back confirmed he was ending an exceptional 18-year playing career, of which 13 seasons were spent at Goodison. Tributes immediately flooded in for the Kirkby-born defender - along with assurances from manager Carlo Ancelotti and the Goodison board that the intention was to keep Baines a part of the Club's fabric. It was duly announced in September that he had become Everton's first Professional Development Coach, a role that will see Baines support young First Team, Under-23s and Under-18s players on all matters relating to their development on and off the pitch.





BLOCKBUSTER SIGNINGS LAND

Everton's summer transfer activity saw Carlo Ancelotti bolster his squad with a World Cup Golden Boot winner, venerated Brazil international and proven Premier League performer. Colombia star James Rodriguez linked up with his compatriot Yerry Mina at Goodison Park, switching from Real Madrid in one of the most high-profile transfers in the Club's history, while defensive midfielder Allan joined Richarlison and Bernard to complete a trio of Brazilians in L4. All-action French midfielder Abdoulaye Doucoure arrived after a stellar four-year spell at Watford and France Under-19 international left-back Niels Nkounkou was recruited as one for the future following the conclusion of his contract at Marseille.

ROYAL APPROVAL AS THE PEOPLE'S PLACE MOVES CLOSER

The Duke of Cambridge, HRH Prince William, praised Everton in the Community for taking the lead in tackling the stigma around mental health after paying a historic visit to the charity in January 2020 as part of the 'Heads Up' campaign. His Royal Highness was joined at The People's Hub in Liverpool 4 by Everton players Seamus Coleman, Jordan Pickford, Theo Walcott, Dominic Calvert-Lewin and Tom Davies to find out more about Everton in the Community's programmes and later commended the charity for going above and beyond in addressing key social issues affecting thousands across the region.

Meanwhile, Everton in the Community was proud to announce in May 2020 that it had been awarded planning permission from Liverpool City Council for its proposed mental health facility, The People's Place. The purpose-built facility is set to be developed on the strip of land next to The People's Hub on Spellow Lane, a stone's throw from Goodison Park, and will provide tailored support to promote positive mental health and deliver support relating to suicide awareness and prevention.

ANCELOTTI'S AWAY DAY JOY

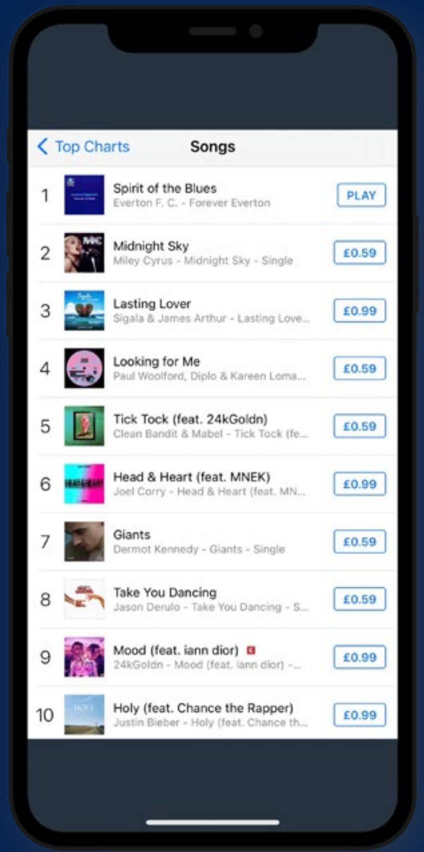
When Dominic Calvert-Lewin scored twice to ensure a 2-1 win over Newcastle United in Carlo Ancelotti's first away fixture at the Everton helm, it was a sign of things to come. Not just for the rapidly-improving Calvert-Lewin but for a Blues side who quickly gained new resilience on the road under their Italian boss. Everton came from 2-0 down to prevail in a five-goal thriller at Watford in February, with further victories at Norwich City and Sheffield United secured before the season was out. Ancelotti's side then carried that confidence into 2020/21, opening the campaign with a 1-0 defeat of Tottenham Hotspur - the Club's first away win over Spurs in almost 12 years - and adding further early-season successes at Crystal Palace and Fulham.

JAMES SIGNING ACCELERATES INTERNATIONAL GROWTH PLANS

When James Rodriguez inked the terms of his permanent deal with Everton in September, the Blues acquired the world's eighth most-followed sportsperson on social media. A high-profile marketing and PR campaign launched to celebrate the signing saw the player's image adorn notable landmarks in Merseyside, Miami, New York and the Colombian capital of Bogota. Following James' arrival, Everton introduced Spanish and Portuguese language Twitter accounts to add to its existing bespoke USA feed on the platform. In China, the Club added to its presence on Weibo by launching accounts on Douyin and Toutiao.

Earlier in 2020 saw the launch of the Everton International Academy Affiliate Programme - an initiative that will allow coaching knowledge and business best practice to be shared with football clubs across the globe - while, in October, a partnership with Grupo Pachuca - owners of Everton de Vina del Mar and five other South and Central American clubs - was announced, further expanding the Club's international profile.

SPIRIT OF THE BLUES TAKES EVERTON TO NUMBER ONE



Fan positivity hit new heights in September and early October 2020 as Everton opened the season with seven straight wins in all competitions - the Club's best start to a campaign for 126 years. With Evertonians lapping up the performances of summer recruits James Rodriguez, Allan and Abdoulaye Doucoure - and Dominic Calvert-Lewin in scorching goalscoring form - the 1985 hit **Spirit of the Blues** gained new popularity thanks to a series of fan memes on social media. The track later saw off competition from Miley Cyrus, Justin Bieber and Jason Derulo to reach the number one spot in the UK iTunes chart - with Ancelotti's Blues also top of the pile and setting the pace in the Premier League table.

7-UP MARKS BEST START SINCE 1894

Encouraging signs from his first eight months as manager and a successful summer transfer window meant there was no shortage of optimism among Evertonians heading into Carlo Ancelotti's first full campaign in charge. An opening-day triumph at Tottenham Hotspur only served to elevate the levels of enthusiasm further and it all proved well-placed as Ancelotti's side went on to add successive league wins against West Bromwich Albion, Crystal Palace and Brighton, all while securing their progress to the quarter-finals of the Carabao Cup. In total, the Blues went seven straight wins and eight games unbeaten from the start of the season - their best opening to a campaign for 126 years!

LEAGUE AWARDS FOR DUO

Everton's magnificent start to the 2020/21 campaign not only took them to the top of the Premier League table but also saw Carlo Ancelotti and Dominic Calvert-Lewin land a richly-deserved awards double. Ancelotti became the first Blues boss since David Moyes in March 2013 to be named Premier League Manager of the Month, while Calvert-Lewin's tally of five goals in three games - including a hat-trick against West Bromwich Albion - secured him the Player of the Month prize. The September win represented a fifth time Ancelotti had been recognised as Manager of the Month, the Italian having claimed the honour on four occasions during his two seasons with Chelsea.

ACCOUNTS 19/20

DIRECTORS

W Kenwright CBE
Chairman

D Barrett-Baxendale MBE
Chief Executive

A Ryazantsev
Chief Finance and
Commercial Officer

M W Brands
Director of Football

J V Woods Director
(Resigned 11 July 2019)

K Harris
(Resigned 25 July 2019)

Registered Office
Goodison Park
Liverpool
L4 4EL

Auditor
BDO LLP
Statutory Auditor
5 Temple Square, Temple Street, Liverpool, L2 5RH

Bankers
Metro Bank
One Southampton Row, London, WC1B 5HA

Registrars
Capita IRG
The Registry, Northern House, Woodsome Park, 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 figures presented in the report and accounts for the year ended 30 June 2020 represent a 12-month period, while comparative figures for the prior period ended 30 June 2019 represent a 13-month period.

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

Impact of COVID-19

Like many other football Clubs, and indeed many other businesses, the COVID-19 pandemic has had, and continues to have, a profound financial impact on the Club which will continue to be felt for several years. The financial challenges being faced, whilst unique in nature, are pervasive across the football industry however the Club remains in a secure financial position thanks to the unwavering support and commitment of our Majority Shareholder and cost-cutting measures undertaken by the Club.

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 which has generated a materially different financial performance to what could have been expected pre-pandemic. Whilst some of these factors relate to timing differences due to the delayed completion of the 2019/20 season in July 2020 (£25.9m) which will be accounted for in next year's annual report and accounts, the Club has experienced material revenue reductions and additional costs which cannot be recouped.

The COVID-19 impact on the financial results is summarised as follows:

	Total £m
Lost Revenue	33.2
Additional Costs	34.1
Combined COVID-19 Impact	**67.3**

Turnover

Prior to the COVID-19 pandemic the Club was forecasting to report record revenues, however due to the significant headwinds created by the pandemic, a lower than forecast finishing position and the deferment of the recognition of some 2019/20 revenue until the next financial period due to the later completion of the season in July 2020, total revenue has fallen by £1.8m (-0.9%).

	12 months 2020 £m	13 Months 2019 £m	Change £m
Broadcasting	98.0	132.7	-34.7
Gate receipts	11.9	14.2	-2.3
Sponsorship, advertising and merchandising	63.7	29.1	+34.6
Other commercial activities	12.3	11.7	+0.6
Turnover	**185.9**	**187.7**	**-1.8**

Decreases in Broadcast revenue (-£34.7m, -26.1%) and Gate Receipts (-£2.3m, -16.1%) were mitigated by a growth in Sponsorship, advertising and merchandising (+£34.6m, +118.9%) and revenue from Other Commercial Activities (+£0.6m, +5.1%).

Broadcast Revenue

The 2019/20 season was the first of the new three-year Premier League broadcast deal, with domestic rights shared between Sky, BT and Amazon.

Total broadcast revenue decreased to £98.0m (-£34.7m, 26.1%) primarily due to the delayed conclusion of the 2019/20 season, rebates to broadcasters and a lower league finishing position. Thirty-one of the thirty-eight 2019/20 Premier League fixtures were completed by 30 June 2020, with the Club therefore unable to recognise the revenue relating to the remaining seven games played in July 2020 until the following financial period. The disruption caused by the pandemic also resulted in a reduction of Premier League income due to rebates being paid to broadcasters.

Although exacerbated by COVID, broadcast revenue represents 53% of the Club's total revenue compared to 71% in the prior period. The Club's strategy is to continue to reduce the share of broadcast revenue by expanding its controllable revenue from its commercial, advertising and merchandising and other commercial activities.

50% of the domestic TV revenue is allocated to clubs based on the number of times they are selected for live domestic broadcast (facility fee) and their final Premier League position (merit payment). The Club was selected for live domestic broadcast on 18 occasions in the year to 30 June 2020 (2018/19: 18) generating £16.1m in facility fees (2018/19: £21.2m). In the post year end period (July 2020) the Club was selected for a live domestic broadcast a further four times, with this revenue to be recognised in the next financial year.

The revenue generated from the Club's 12th-placed league position finish in 2019/20 has been pro-rated due to only 31 matches being completed by the financial year end. This results in the Club recognising £18.1m of merit payment (2018/19: £24.9m, 8th-placed finish) with the remaining revenue to be recognised in the next financial year.

The remainder of the domestic TV revenue is shared equally between each club and in 2019/20 the Club's pro-rated share, according to the portion of season completed, was £25.6m (2018/19: £34.4m).

This figure also includes an element of international TV revenue due to 2019/20 being the first season of the new international broadcast distribution mechanism where the value of the international rights above the levels of the previous TV cycle are distributed on a merit based system, similar to that used for the domestic TV revenue distribution.

The Club generated £36.0m from the equal share of International TV revenue in 2019/20 (2018/19: £43.2m), again with the amount relating to July 2020 completed matches to be recognised in the next financial period.

Other broadcast income of £2.2m was generated (2018/19: £9.0m). This figure is inclusive of a rebate to be paid to Premier League broadcast partners of £2.5m because of the delayed completion of the 2019/20 season. Under FRS102 the broadcast rebate is accounted for as a contract amendment and is therefore spread evenly across the nine delayed 'project restart' games rather than the full season. The Club will therefore be accounting for a larger broadcast rebate in the next financial period because seven of the nine 'project restart' fixtures occurred in this period.

Gate Receipts

Gate receipts revenue of £11.9m (2018/19: £14.2m) decreased £2.3m (-16.2%) due to the Club only completing 14 Premier League fixtures at Goodison Park with fans in attendance.

The Club continues to benefit from unwavering support from its supporters who have been so sorely missed during the fixtures being played behind closed doors. The average Premier League attendance of 39,103 (39,043 in 2018/19) represents a sell-out of all home tickets for all 14 matches, underpinned by strong Season Ticket and hospitality sales. We look forward to welcoming our fans back to Goodison Park as soon as it is practically possible and their safety can be assured.

Despite the Club making available the maximum permissible number of Season Tickets for sale under Premier League rules, demand for Season Tickets has significantly outstripped the available supply and the Club operates a Season Ticket waiting list for supporters wishing to purchase a seat in the future.

The Club continues to offer some of the cheapest prices in the Premier League. The most expensive season ticket at Goodison Park is £565 in the Sir Philip Carter Park Stand, less than £30 per match. Concession prices also offer excellent value for money as the Club recognises the importance of cultivating the next generation of Evertonians. Under-11's pay just £95 a season, equivalent to £5 per match, under-18's prices are £149 per season and under-21's £299 per season.

Sponsorship and Commercial Activities

The Club's sponsorship, advertising and merchandising revenue reached a record £63.7m, an increase of 119.1% on 2018/19.

This large increase was driven by the one-off impact of the Club receiving a £30m option premium under the new agreement with USM Holdings for the purchase of a naming rights contract for our new stadium at Bramley-Moore Dock at a pre-agreed annual value and term. The premium received will be exclusively used as the Club's further contribution to the project's equity. USM Holdings continue to hold naming rights to USM Finch Farm with several other assets and remain a key partner of the Club. We are extremely grateful for their ongoing support in the current uncertain environment.

The 2019/20 season was the last one of Umbro as our Technical Partner and we would like to thank them for their support over the past six years. We also ended our association with SportPesa as our main partner, having started the season by playing against Kariobangi Sharks in the SportPesa Super Cup final in Nairobi. It was the second time we travelled to East Africa in the three seasons with SportPesa, helping us promote the Everton brand in the region. Our three-year sleeve partnership with Rovio came to an end in 2019/20. We enjoyed some memorable moments with Angry Birds, including an innovative use of our players in their games as well as a community-led YouTube series.

Despite challenging market conditions with Premier League football being suspended during the first lockdown, the Club welcomed Cazoo, one of the UK's fastest-growing new ecommerce businesses, as the new main partner in June 2020. The Club made a strategic decision to exclude the Women's shirt from the Cazoo deal, opting instead for an exclusive partnership between Everton Women and Megafon.

The 2019/20 season was the first of the Club's long-term extension to its agreement with Fanatics as its Retail Partner in a deal which will generate the Club considerably improved guaranteed revenue. The Club announced a new Technical Kit Partner, hummel, and we look forward to continuing this partnership following the delivery of the bespoke, original kit design that is guided by the rich traditions of the Club for the 2020/21 season.

The combination of the change to a new Technical Kit Partner, new main partner and a solid start to the season has generated record retail sales for the Club in the first four months of the 2020/21 financial season.

The Club's official partnership portfolio also includes Yota, Parimatch, Monster Energy, Davanti Tyres, Fratelli Beretta, eToro, Molson Coors and Lucozade Sport. The Club continues its strategy of expanding its partnership portfolio in terms of overall number of partners, sectors and global geographical reach.

Total commercial revenue from sponsorship, advertising and merchandising and other commercial activities has grown from £26.0m to £76.0m over a five-year period between 2014/15 and 2019/20 (24% per annum).

As of 30 June 2020, the Club had more than 7.62m total social media connections across Facebook (3.2m), Twitter (2.2m), Instagram (1.7m), as well as TikTok, YouTube, Weibo, Douyin and Tiatiao. Last year we reported a year-end figure as of 30 June 2019 of 6.28 million total social connections (a 21.5% increase). As of November 2020, we have 9.47m total social connections - already a 24.3% increase for 2020/21 after five months of the year.

To coincide with the signings of James Rodriguez and Allan in September 2020, we launched dedicated international Twitter accounts in Spanish and Portuguese.

In July 2019 we relaunched our official website evertonfc.com with a ground-up site rebuild for the first time in six years. From 1 July 2019 to 30 June 2020 the site had more than 2m users. In September 2020 we introduced a Spanish version of the website - with more languages to be added in the 2020/21 season. In September 2020 we also relaunched our official mobile app for iOS and Android. Active users are up 40% against the previous version of the app.

Operating Expenses (Excluding Player and Management Trading)

Operating expenses (excluding player and management trading) increased to £229.0m (2018/19: £217.4m) including exceptional costs of £24.2m (2018/19: £7.7m).

Continued significant investment made in the First-Team squad in recent years has resulted in an increase in staff costs to £164.8m (2018/19: £160.0m). The Club's total wage to turnover ratio has increased from 85% in 2018/19 to 89% in 2019/20.

This figure has been artificially inflated by the loss of revenue because of the COVID-19 disruption and the delayed revenue recognition profile due to the 2019/20 season being completed in July 2020. 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 resulted in an artificially inflated wage to turnover ratio. The Club's policy is to reduce the wage to turnover ratio going forward to bring it more in line with its peers in the Premier League, although it's important to note that our ability to drive wages down is limited by the fact that we operate in a competitive market environment.

The Club's other operating costs decreased to £33.1m (2018/19: £43.1m) which was mainly driven by the ongoing tight management of operational costs.

STRATEGIC REPORT: FINANCE AND COMMERCIAL REVIEW (CONTINUED)

The Club once again committed significant funds to the development of the new stadium and incurred an operating exceptional cost of £19.9m (2018/19: £7.2m) for design and other work relating to the project, on which costs cannot be capitalised until planning permission has been obtained. This brings the total cumulative cost incurred on the Bramley-Moore Dock project to £39.3m and we are hopeful of a positive decision on planning permission in the next few months that reflects the huge time, resource and financial commitment invested in the project in recent years.

An additional operating exceptional cost of £6.6m was incurred for amounts payable in relation to the change in coaching staff.

As a result, the Club made an operating loss before player and management trading of £43.1m (2018/19: £29.7m) excluding player trading. The statutory operating loss was £175.2m (2019: £127.3m).

	12 months 2020 £m	13 months 2019 £m	Change £m
Turnover	**185.9**	**187.7**	**-1.8**
Staff Costs	(164.8)	(160.0)	-4.8
Other Operating Costs	(33.1)	(43.1)	10.0
Depreciation	(6.9)	(6.5)	-0.4
Operating expenses (pre-player and management trading)	**(204.8)**	**(209.6)**	**4.8**
Expenditure incurred on new stadium project	(19.9)	(7.2)	-12.7
Provision for Onerous Contract	(4.4)	-	-4.4
Revaluation of Football League Limited Pension Scheme	-	(0.5)	0.5
Operating expenses - exceptional items (pre-player and management trading)	**(24.3)**	**(7.7)**	**-16.6**
Operating loss (pre-player and management trading)	**(43.1)**	**(29.6)**	**-13.5**

Player and Management Trading

Under FRS 102, the Club is required to capitalise the cost of acquiring a player's registration (transfer fee) 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 four seasons resulting in an amortisation charge of players' registrations of £99.2m during 2019/20 (2018/19: £95.1m).

The disruption caused by the COVID-19 pandemic has caused a significant, adverse change in the economic environment which the Club is operating in. As a direct result of the market conditions created by COVID-19 and the contraction of the transfer market, it became apparent that the Club was carrying the registration rights for a number of players on the balance sheet at an amount greater than the recoverable amount (higher of value in use and fair value less costs to sell). Pre COVID-19 the Club would have been confident of either selling, or realising a value in use for, these players at an amount above their net book value.

Underlying market conditions as at 30 June 2020 meant this was no longer probable. The Club has therefore recognised an exceptional impairment charge of £26.3m in relation to player registrations as a direct and unavoidable consequence of the market conditions presented by COVID-19, as well as a £4.4m provision for an onerous contract.

Profit on the disposal of player registrations was £40.5m, an increase of £20.2m on the previous year despite the Club again retaining its key players and maintaining the integrity of its First-Team squad. It should be noted that the balance sheet value of the Club's playing squad of £227.6m at 30 June 2020, 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 £134.8m (2019: net loss £107.0m)

	12 months 2020 £m	13 months 2019 £m	Change £m
Operating loss (pre-player and management trading)	**(43.1)**	**(29.7)**	**-13.4**
Amortisation of players' registrations	(99.2)	(95.1)	-4.1
Impairment of player registrations	(26.3)	(2.5)	-23.8
Amounts payable to former employees in relation to change in coaching staff	(6.6)	-	-6.6
Profit on player trading	40.5	20.3	20.2
Player and management trading	**(91.6)**	**(77.3)**	**-14.3**
Statutory Loss before interest and taxation	**(134.7)**	**(107.0)**	**-27.7**
Interest and taxation	**(5.1)**	**(4.9)**	**-0.2**
Statutory Loss	**(139.8)**	**(111.8)**	**-27.9**
Impact Directly Attributable to COVID-19	**67.3**	-	**67.3**
Underlying Loss	**(72.5)**	**(111.8)**	**39.3**

After interest and taxation, the Club recorded a loss for the year of £139.8m (2018/19: loss of £111.8m). When adding back the directly attributable financial impact of COVID-19, the underlying financial loss for the year was £72.5m (2018/19: loss of £111.8m)

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 and could not have been foreseen at the beginning of the financial year. In future financial periods we expect a return to the usual operating model.

In order to retain comparability it is, therefore, necessary to calculate an underlying loss before tax which excludes the impact of COVID-19.

Balance Sheet and Funding

The Club once again invested significantly in the First-Team squad in the Summer of 2019, with the permanent signings of Moise Kean, Alex Iwobi, Fabian Delph and Jean-Philippe Gbamin and the loan signing of Djibril Sidibe resulting in additions to the Club's Intangible Assets. Despite these additions, the amortisation and impairment charged to the profit and loss account have resulted in a reduction in the Intangible Assets held on the balance sheet to £227.6m (2018/19: £263.7m).

The Club's net asset position in 2019/20 was £71.0m (2018/19: £160.8m). The investment into the First-Team squad, as well as the operating performance described above, was partly funded by shareholder injections via an interest free loan, which reached £350m in 2019/20. In accordance with FRS 102, the shareholder loan from Bluesky Capital Limited has been accounted for as equity. Bluesky Capital Limited continued to support the Club post year end with an additional shareholder loan of £50.0m being received since 30 June 2020 and this is reflected in Note 21 of the Report and Accounts as a Post Balance Sheet Event.

The Club's net debt position decreased to £2.3m (2018/19: £9.2m) as a result of cash flow management measures undertaken in the wake of COVID-19 and the continued substantial support of the Majority Shareholder. The Club successfully secured a new £80m credit facility with Rights and Media and raised £20m from Metro Bank under the Coronavirus Large Business Interruption Loan Scheme as one of the measures to deal with the financial impact of COVID-19. We continue to proactively develop our long-term relationships with numerous financing institutions for strategic financing transactions.

A Ryazantsev
Chief Finance and Commercial Officer

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
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 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 entering into an £80m RCF facility with Rights and Media Funding Limited. Based on ongoing dialogue with the existing lender, subject to contract and the Club retaining Premier League status they have confirmed an intention to extend the current RCF facility at an increased amount for the 2020/21 season.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts for a number of scenarios. It is acknowledged that the global and UK outbreak of COVID-19 continues to present uncertainties on the 2020/2021 football season in several respects.

At the time of issue of these financial statements, although the country is subject to a national lockdown, all professional football and other elite sports in England is continuing behind closed doors. The return of fans to stadia remains unknown at this stage and is largely dependent on the effectiveness of virus suppression measures in the coming months. Whilst the Premier League and the Club continue to monitor the situation closely, and continue to model scenarios for how the current season will develop, the environment is continuously changing and as such, projecting when the impacts of COVID-19 may ease and when and how the restrictions on fixtures will be lifted is challenging.

In particular, the Club's ability to generate match day income is interrupted whilst the behind closed doors model continues to operate. The directors also acknowledge that commercial revenues, including sponsorship income, could also be adversely affected in the current and next season. Furthermore, the ability of the Premier League to maintain central distributions at current levels over the going concern assessment period cannot be determined with certainty, although 2019/20 and 2020/21 League distributions have to date been maintained or accelerated.

The Club is taking steps to review its cost base, trading strategy and the ability to defer other planned discretionary expenditure in the short term to offset the likely reductions in revenue. The Club is also taking advantage of all available Government support packages and continues to have the support of its existing lender and majority shareholder regarding ongoing funding arrangements.

The Directors currently anticipate that return of fans to stadia will resume sometime in early 2021 and that, with necessary financial and operational adjustments, the club will remain solvent in the meantime. As such, a gradual return to the Club's previous financial position is expected in the medium/long term and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Considering the impacts of COVID-19 and the various potential scenarios, the Directors have prepared a reverse stress testing sensitivity on the basis that the season is completed entirely behind closed doors. Sufficient headroom has been identified to conclude on the Club's ability to continue as a going concern for the foreseeable future when taking into account the committed and continued financial support of the Club's majority shareholder. A legally binding letter of support has been obtained to confirm this ongoing financial support.

As such, the Directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern. The Directors have considered the sensitivities of the trading projections 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, and the comfort obtained from current funding partners, as well as the continued financial support of the Club's majority shareholder, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operation existence for the foreseeable future. Accordingly, they adopt the going concern basis in the Financial Statements for the year ending 30 June 2020.

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 we have engaged with them 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 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 year 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.

Commercial Partners
The Directors recognise that positive relationships with commercial partners is 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:

- The Board made the decision to financially compensate season ticket holders and hospitality members for Premier League fixtures which were staged behind closed doors because of the COVID-19 pandemic. Through no fault of their own fans were unable to attend these fixtures, therefore the board wished to make several options available to fans. These options included a full cash refund, roll forward of any monies owed as a credit against future ticket purchases in the 2020/21 season or a donation to the Blue Family campaign ran by the Club's charity, Everton in the Community.
- 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 £39.3m and we are hopeful of a positive decision on planning permission in the next few months that reflects the huge time, resource and financial commitment to the project in recent years.
- The Club's early preparations and close monitoring of the coronavirus outbreak and associated risks enabled a timely and robust response to the coronavirus crisis. Everton was the first Premier League club to close operational sites to protect its staff, players and community participants and has been swift in making a number of decisions and announcements to proactively manage and mitigate possible risks.
- The Club decided to continue to pay all casual staff and contractors throughout the coronavirus disruption period. The Club had the option to furlough employees as part of the Government Coronavirus Job Retention Scheme, however chose against doing this on the basis that it carried significant risks for the Club in relation to business continuity and readiness for return.

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 new campaign titled 'Everton for Change' was launched in the year 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 initiatives in place across operational sites including reduced energy consumption with the use of LED lighting, installation of lighting motion sensors and centrally controlled heating

The Club's energy usage in the year ending 30 June 2020 was 9.9 million kWH and total UK emissions were 2,334 tCO_2e. This represents an intensity ratio of 1.255 (tCO_2e per £100k of turnover). This is the first-year reporting under SECR therefore there are no prior period figures to compare against. Data has been collected from a variety of sources including utility providers, plant asset lists, fuel usage and mileage records.

Future Developments

The Directors expect the general level of activity to remain consistent with 2019/20 in the forthcoming year, albeit with the behind closed doors operating model continuing to be used in the short term. 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:

A Ryazantsev
Director
23 November 2020

Goodison Park, Liverpool L4 4EL

DIRECTORS' REPORT

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 2020.

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 £139.9m (2019: £111.8m), which has been withdrawn from reserves (2019: same). The Directors are not able to recommend the payment of a dividend (2019: 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 period and to the date of this report are disclosed on page 52 (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.

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.

Auditor

BDO LLP were appointed as auditor in the 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:

A Ryazantsev
Director
23 November 2020

Goodison Park, Liverpool L4 4EL

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 2020 which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated and company statement of changes in equity and the consolidated cash flow statement, and the 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 2020 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 Strategic report and 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.

Responsibilties of Directors

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, 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 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Wood (Senior Stautory Auditor)
For and on behalf of BDO LLP

BDO LLP

Statutory Auditor, Liverpool

UK

24 November 2020

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	12 months ended 30 June 2020			13 months ended 30 June 2019		
		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
Turnover	1,2	**185,882**	-	**185,882**	**187,664**	-	**187,664**
Operating expenses	3	(204,766)	(99,232)	(303,998)	(209,649)	(95,057)	(304,706)
Operating expenses - exceptional costs	3	(24,249)	(32,873)	(57,122)	(7,722)	(2,511)	(10,233)
		(229,015)	(132,105)	(361,120)	(217,371)	(97,568)	(314,939)
Operating loss	4	**(43,133)**	**(132,105)**	**(175,238)**	**(29,707)**	**(97,568)**	**(127,275)**
Profit on player trading			40,455	40,455	-	20,258	20,258
Profit on disposal of tangible fixed assets		-	-	-	40	-	40
(Loss) / profit before interest and taxation		**(43,133)**	**(91,650)**	**(134,783)**	**(29,667)**	**(77,310)**	**(106,977)**
Interest receivable and similar income	5			3,268			2,925
Interest payable and similar charges	6			(8,348)			(7,793)
Loss before taxation				**(139,863)**			**(111,845)**
Tax on loss	8			(6)			30
Loss after taxation for the period withdrawn from reserves				**(139,869)**			**(111,815)**

All the above amounts derive from continuing operations.

There are no other items of income or expense for the period ended 30 June 2020 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 2020

	Notes	30 June 2020		30 June 2019	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10		227,568		263,653
Tangible assets	11		21,878		21,179
			249,446		**284,832**
Current assets					
Debtors					
- Due within one year	14	64,974		56,709	
- Due after one year	14	4,275		28,522	
Cash at bank and in hand		56,404		27,429	
		125,653		**112,660**	
Creditors - amounts falling due within one year	15	(250,288)		(166,831)	
Net current liabilities			(124,635)		(54,171)
Total assets less current liabilities			**124,811**		**230,661**
Creditors - amounts falling due after more than one year	16		(37,673)		(61,479)
Provision for liabilities	17		(16,206)		(8,380)
Net assets			**70,932**		**160,802**
Capital and reserves					
Called up share capital	18		35		35
Share premium account	18		24,968		24,968
Profit and loss account - deficit	18		(302,570)		(162,701)
Other reserves	18		348,499		298,500
Shareholders' funds			**70,932**		**160,802**

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board and authorised for issue on 23 November 2020 and signed on its behalf by

W Kenwright CBE
Director

COMPANY BALANCE SHEET AT 30 JUNE 2020

	Notes	30 June 2020 £'000	30 June 2020 £'000	30 June 2019 £'000	30 June 2019 £'000
Fixed assets					
Intangible assets	10		227,568		263,653
Tangible assets	11		18,348		17,629
Investments	12		-		-
			245,916		**281,282**
Current assets					
Debtors					
- Due within one year	14	103,964		78,817	
- Due after one year	14	4,275		28,522	
Cash at bank and in hand		53,259		27,819	
		161,498		**135,158**	
Creditors - amounts falling due within one year	15	(244,819)		(167,911)	
Net current liabilities			**(83,321)**		**(32,753)**
Total assets less current liabilities			**162,595**		**248,529**
Creditors - amounts falling due after more than one year	16		(37,009)		(60,777)
Provision for liabilities	17		(16,206)		(8,380)
Net assets			**109,380**		**179,372**
Capital and reserves					
Called up share capital	18		35		35
Share premium account	18		24,968		24,968
Profit and loss account - deficit	18		(264,122)		(144,131)
Other Reserves	18		348,499		298,500
Shareholders' funds			**109,380**		**179,372**

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 £119,991,000 (2019: £104,664,000).

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board and authorised for issue on 23 November 2020 and signed on its behalf by

W Kenwright CBE
Director

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

Group	**Notes**	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 June 2018		**35**	**24,968**	**(50,886)**	**149,250**	**123,367**
Loss for the year and total comprehensive expense		-	-	(111,815)	-	(111,815)
Loan from Shareholder classed as equity		-	-	-	149,250	149,250
At 1 July 2019		**35**	**24,968**	**(162,701)**	**298,500**	**160,802**
Loss for the period and total comprehensive expense		-	-	(139,869)	-	(139,869)
Loan from Shareholder classed as equity	18	-	-	-	49,999	49,999
At 30 June 2020		**35**	**24,968**	**(302,570)**	**348,499**	**70,932**

Company	Notes	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 June 2018		**35**	**24,968**	**(39,467)**	**149,250**	**134,786**
Loss for the year and total comprehensive expense		-	-	(104,664)	-	(104,664)
Loan from Shareholder classed as equity		-	-	-	149,250	149,250
At 1 July 2019		**35**	**24,968**	**(144,131)**	**298,500**	**179,372**
Loss for the period and total comprehensive expense		-	-	(119,991)	-	(119,991)
Loan from Shareholder classed as equity	18	-	-	-	49,999	49,999
At 30 June 2020		**35**	**24,968**	**(264,122)**	**348,499**	**109,380**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	12 months ended 30 June 2020	13 months ended 30 June 2019
		£'000	£'000
Net cash flows from operating activities			
Loss for the period		(139,869)	(111,815)
Adjustments for:			
Profit on disposal of football staff registrations		(40,455)	(20,258)
Profit on disposal of tangible fixed assets		-	(40)
Depreciation of tangible fixed assets		6,939	6,537
Amortisation of grants		(38)	(41)
Amortisation of football staff registrations		99,232	95,057
Impairment of football staff registrations		26,324	2,511
Interest receivable and similar income		(3,268)	(2,925)
Interest payable and similar charges		8,348	7,793
Taxation		6	(30)
Operating cash flows before movements in working capital		**(42,781)**	**(23,211)**
(Increase) / Decrease in debtors		(7,291)	7,289
Increase in creditors		56,888	6,326
Increase / (Decrease) in provisions		4,243	(229)
Net cash generated from / (used in) operations		**11,059**	**(9,825)**
Cash flow from investing activities			
Proceeds from disposal of players' registrations		85,751	67,098
Proceeds from sale of tangible fixed assets		-	40
Purchase of players' registrations		(128,395)	(134,796)
Purchase of tangible fixed assets		(7,638)	(11,926)
Interest received		42	-
Shareholder loans treated as equity		49,999	149,250
Net cash flows used in investing activities		**(241)**	**69,666**
Cash flows from financing activities			
Interest paid		(3,093)	(1,718)
Repayments of borrowings		(18,750)	(75,500)
New loans		40,000	35,331
Net cash flows from financing activities		**18,157**	**(41,887)**
Cash at bank and in hand at beginning of period		27,429	9,475
Net increase / (decrease) in cash		28,975	17,954
Cash at bank and in hand at end of period		**56,404**	**27,429**

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2020

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 52. The nature of the group's operations and its principal activities are set out in the strategic report on page 53.

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 77.2% of the share capital of the Company. 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. In the prior year, the Directors chose to change the accounting reference date of the company to 30 June in order to provide a greater alignment with the seasonal nature of the business and therefore the prior year results presented are for a 13 month period. 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 entering into an £80m RCF facility with Rights and Media Funding Limited. Based on ongoing dialogue with the existing lender, subject to contract and the Club retaining Premier League status they have confirmed an intention to extend the current RCF facility at an increased amount for the 2020/21 season.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts for a number of scenarios. It is acknowledged that the global and UK outbreak of COVID-19 continues to present uncertainties on the 2020/2021 football season in several respects.

At the time of issue of these financial statements, although the country is subject to a national lockdown, all professional football and other elite sports in England is continuing behind closed doors. The return of fans to stadia remains unknown at this stage and is largely dependent on the effectiveness of virus suppression measures in the coming months. Whilst the Premier League and the Club continue to monitor the situation closely, and continue to model scenarios for how the current season will develop, the environment is continuously changing and as such, projecting when the impacts of COVID-19 may ease and when and how the restrictions on fixtures will be lifted is challenging.

In particular, the Club's ability to generate match day income is interrupted whilst the behind closed doors model continues to operate. The directors also acknowledge that commercial revenues, including sponsorship income, could also be adversely affected in the current and next season. Furthermore, the ability of the Premier League to maintain central distributions at current levels over the going concern assessment period cannot be determined with certainty, although 2019/20 and 2020/21 League distributions have to date been maintained or accelerated.

The Club is taking steps to review its cost base, trading strategy and the ability to defer other planned discretionary expenditure in the short term to offset the likely reductions in revenue. The club is also taking advantage of all available Government support packages and is in discussions with its existing lender and majority shareholder regarding ongoing funding arrangements.

The Directors currently anticipate that return of fans to stadia will resume sometime in early 2021 and that, with necessary financial and operational adjustments, the club will remain solvent in the meantime. As such, a gradual return to the Club's previous financial position is expected in the medium/long term and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Considering the impacts of COVID-19 and the various potential scenarios, the directors have prepared a reverse stress testing sensitivity on the basis that the season is completed entirely behind closed doors. Sufficient headroom has been identified to conclude on the Club's ability to continue as a going concern for the foreseeable future when taking into account the committed and continued financial support of the Club's majority shareholder. A legally binding letter of support has been obtained to confirm his ongoing financial support.

As such, the Directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern. The Directors have considered the sensitivities of the trading projections 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, and the comfort obtained from current funding partners, as well as the continued financial support of the Club's majority shareholder, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operation existence for the foreseeable future. Accordingly, they adopt the going concern basis in the Financial Statements for the year ending 30 June 2020.

(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
Tangible Fixed Assets are stated at cost or valuation, net of deprecation and any provision for impairment. 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 on a straight line basis over the period of the respective players' contracts in accordance with FRS 102 section 18 'Intangible assets other than goodwill'.

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.

Critical Accounting Judgements
The Directors consider the following areas to be critical accounting judgements:

Revenue Recognition
Delays to the completion of the 2019/20 Premier League season, due to COVID-19, has resulted in the deferral of certain broadcasting, sponsorship and advertising revenues, which will be recognised when the remaining matches are played, i.e. when the respective performance obligations have been met. Further, due to the delay to the 2019/20 domestic football season, as a result of COVID-19, and changes to broadcasting schedules, broadcasting revenues for the year ended 30 June 2020 have been reduced to reflect a Premier League rebate due to broadcasters. The amount recognised for the year ended 30 June 2020 has been estimated based on the expected Premier League finishing position as at 30 June 2020 and the number of post lockdown Premier League games played to 30 June 2020, as a percentage of the total remaining post lockdown 2019/20 Premier League fixtures.

Impairment of Tangible Fixed Assets
Judgement is required in determining whether there are any indicators of tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Expenditure Incurred on New Stadium Project
The Club capitalises expenditure incurred on capital projects within tangible assets only if it is probable that future economic benefits associated with the project will flow to the entity. A number of factors are taken into account when assessing this probability including the likelihood of planning consent based on consultations completed to date.

Recognition of Deferred Tax Assets
The Club recognises deferred tax effects of temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities. Deferred tax assets are recognised only to the extent that it is probable that the associated deductions will be available for use against future profits and that there will be sufficient taxable profit available against which the temporary differences can be utilised, provided the assset can be reliably quantified. Future taxable income may be higher or lower than estimates made when determining whether it is appropriate to record a deferred tax asset and the amount to be recorded.

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 2020 there is £53,993,000 (2019: £40,369,000) 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.

2. Turnover

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

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Broadcasting	97,995	132,734
Gate Receipts	11,942	14,183
Sponsorship, advertising and merchandising	63,699	29,077
Other commercial activities	12,246	11,670
	185,882	**187,664**

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 £6.0m to £192m (2019: £7.2m to £194m) if these operations were not outsourced.

3. Operating Expenses

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Amortisation of players' registrations (note 10)	99,232	95,057
Staff costs (note 7)	164,758	159,985
Depreciation (note 11)	6,939	6,537
Other operating costs	33,069	43,127
Other operating costs - exceptional costs	57,122	10,233
Total operating expenses	**361,120**	**314,939**

The exceptional other operating costs of £57.1m in the period ended 30 June 2020 relates to expenditure incurred on the new stadium project, impairment of player registrations, amounts payable to former employees in relation to a change in coaching staff and a provision for onerous contracts and are broken down as follows:

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Expenditure incurred on new stadium project	19,874	7,236
Amounts payable to former employees in relation to the change in coaching staff	6,549	-
Provision for Onerous Contract	4,375	-
Impairment of player registrations	26,324	2,511
Revaluation of Football League Limited Pension Scheme	-	486
	57,122	**10,233**

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

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
The operating loss is stated after charging / (crediting):		
Depreciation - property	225	275
Depreciation - other	6,714	6,262
Amortisation of grants	(38)	(41)
Operating lease rentals		
Motor vehicles	351	387
Office equipment	266	226
Land and properties	2,124	2,173
Foreign exchange loss	1,160	396
Amortistion of player registrations	99,232	95,057
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	43	51
Fees payable to the company's auditor for the audit of the company's subsidiaries	6	8
Total audit fees	**49**	**59**
Other non-audit services		
Audit-related assurance services	5	18
Tax services	12	39
Other services	-	155
Total non-audit fees	**17**	**212**

5. Interest Receivable and Similar Income

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Bank interest receivable	42	-
Other Interest receivable	3,226	2,925
Total operating expenses	**3,268**	**2,925**

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

6. Interest Payable and Similar Charges

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Other loans	4,795	3,813
Other interest payable	3,553	3,980
	8,348	**7,793**

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

7. Particulars of Employees

	12 months to 30 June 2020	13 months to 30 June 2019
Group	Number	Number
The average monthly number of employees, including executive directors, during the period was as follows:		
Playing, training and management	143	151
Youth Academy	84	83
Marketing and Media	58	61
Management and Administration	101	100
Maintenance, Security, Pitch and Ground Safety	66	61
	452	**456**

In addition, the Group employed an average of 425 temporary staff on matchdays (2019: 411).

Aggregate payroll costs for the above employees were as follows:

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Wages and salaries	144,202	140,468
Social security costs	19,847	18,800
Other pension costs	709	717
	164,758	**159,985**

	12 months to 30 June 2020	13 months to 30 June 2019
Company	Number	Number
The average monthly number of employees, including executive directors, during the period was as follows:		
Playing, training and management	109	117
Youth Academy	84	83
Marketing and Media	58	61
Management and Administration	101	100
Maintenance, Security, Pitch and Ground Safety	66	61
	418	**422**

Aggregate payroll costs for the above employees were as follows:

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Wages and salaries	143,270	139,807
Social security costs	19,749	18,743
Other pension costs	686	705
	163,705	**159,255**

Directors' remuneration

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Emoluments	3,478	3,588
Company contributions to money purchase pension scheme	20	22
	3,498	**3,610**
Highest paid director	1,238	916
Company contributions to money purchase pension scheme	-	11
	1,238	**927**

	12 months to 30 June 2020	13 months to 30 June 2019
	Number	Number
Retirement Benefits are accruing for the following number of directors under:		
Money purchase pension plans	**2**	**2**

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

8. Tax on Loss

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Current tax charge in the period	-	-
Deferred tax charge / (credit) in the period	**6**	(30)
	6	**(30)**

a) Factors affecting the tax (credit) / charge for the current period

The tax assessed for the period is higher (2019: higher) than that resulting from applying the effective standard rate of corporation tax in the UK: 19% (2019: 19%).

	12 months to 30 June 2020	13 months to 30 June 2019
	£'000	£'000
Loss in the period	(139,863)	(111,845)
Tax on loss at the standard rate	(26,574)	(21,251)
Expenses not deductible for tax purposes	1,082	341
Income not taxable for tax purposes	(7)	(8)
Pre Trading Expenditure	-	1,182
Depreciation on ineligible assets	794	49
Deferred tax not recognised	28,475	19,657
Remeasurement of deferred tax for changes in tax rates	(3,764)	-
Total tax charge / (credit) for the period	6	(30)

b) Factors that may affect the future tax charge

Unrecognised deferred tax assets of the Group are £61.3m (2019: £24.9m). 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 £46.9m and other timing differences of £14.4m.

On 11 March 2020, the government announced that the Corporation Tax main rate for the year starting 1 April 2020 and 2021 would remain at 19%. These changes have been reflected in the Company's financial statements as at 30 June 2020.

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 £119,991,000 (2019: £104,664,000).

10. Intangible Fixed Assets - Group And Company

	Total
	£'000
Cost	
At 1 July 2019	442,625
Additions in the period	113,082
Disposals in the period	(57,309)
At 30 June 2020	**498,398**
Amortisation	
At 1 July 2019	178,972
Charge for the period	99,232
Impairment of player registrations	26,324
Eliminated on disposals	(33,698)
At 30 June 2020	**270,830**
Net book value	
At 30 June 2020	**227,568**
At 30 June 2019	263,653

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.

11. Tangible Fixed Assets

Group	Freehold properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2019	11,408	42,133	42	53,583
Additions in the period	-	7,638	-	7,638
Disposals in theperiod	-	-	-	-
At 30 June 2020	**11,408**	**49,771**	**42**	**61,221**
Depreciation				
At 1 July 2019	7,681	24,681	42	32,404
Charge for the period	225	6,714	-	6,939
On disposals	-	-	-	-
At 30 June 2020	**7,906**	**31,395**	**42**	**39,343**
Net book value				
At 30 June 2020	**3,502**	**18,376**	-	**21,878**
At 30 June 2019	3,727	17,452	-	21,179

Company	Freehold properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2019	308	42,133	42	42,483
Additions in the period	-	7,422	-	7,422
Disposals in the period	-	-	-	-
At 30 June 2020	**308**	**49,555**	**42**	**49,905**
Depreciation				
At 1 July 2019	131	24,681	42	24,854
Charge for the period	-	6,703	-	6,703
On disposals	-	-	-	-
At 30 June 2020	**131**	**31,384**	**42**	**31,557**
Net book value				
At 30 June 2020	**177**	**18,171**	-	**18,348**
At 30 June 2019	177	17,452	-	17,629

The net book value of the Group's freehold properties includes land valued at £827,000 which is not depreciated.

The net book value of the Company's freehold properties includes land valued at £177,000 which is not depreciated.

12. Investments

Fixed Asset Investments

	Subsidiary Undertakings
Company	£
Cost and net book value	
As at 1 July 2019 and 30 June 2020	7

Details of Company's subsidiaries as at 30 June 2020, 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 FC Finance 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 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Expiring within one year	-	108	134	8	134	116
Expiring between two and five years	-	-	101	682	101	682
Expiring in more than five years	80,577	82,007	-	-	80,577	82,007
	80,577	**82,115**	**235**	**690**	**80,812**	**82,805**

14. Debtors

	Group		Company	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	55,643	51,882	55,610	51,473
Amounts due from subsidiaries	-	-	41,240	22,586
Other financial assets	2,191	714	-	714
Prepayments and accrued income	7,114	4,083	7,114	4,044
Deferred tax	26	30	-	-
	64,974	**56,709**	**103,964**	**78,817**
Amounts falling due after one year:				
Trade debtors	4,275	28,522	4,275	28,522
	4,275	**28,522**	**4,275**	**28,522**

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

15. Creditors - Amounts Falling Due Within One Year

	Group		Company	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£'000	£'000	£'000	£'000
Other loans (note 16)	58,707	17,938	58,707	17,938
Trade creditors	65,429	73,509	60,804	72,294
Accruals and deferred income	85,992	58,995	75,271	47,935
Amounts due to subsidiaries	-	-	10,087	12,107
Social security and other taxes	40,160	16,389	39,950	17,637
	250,288	**166,831**	**244,819**	**167,911**

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

16. Creditors - Amounts Falling Due After More Than One Year

	Group		Company	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£'000	£'000	£'000	£'000
Other loans (see borrowings below)	-	18,707	-	18,707
Trade creditors	27,766	34,352	27,766	34,352
Accruals and deferred income	9,907	8,420	9,243	7,718
	37,673	**61,479**	**37,009**	**60,777**

Borrowings

Group

	Other loans		Total	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£'000	£'000	£'000	£'000
Analysis of borrowings				
Payable by instalments:				
Within one year	58,707	17,938	58,707	17,938
Between one and two years	-	18,707	-	18,707
	58,707	**36,645**	**58,707**	**36,645**

Company

	Other loans		Total	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£'000	£'000	£'000	£'000
Analysis of borrowings				
Payable by instalments:				
Within one year	58,707	17,938	58,707	17,938
Between one and two years	-	18,707	-	18,707
	58,707	**36,645**	**58,707**	**36,645**

Other loans at 30 June 2020 comprises an amount of £18,707,000 (30 June 2019; £36,645,000) which was secured against future guaranteed receivables. These loan incurs interest at a market value rate and are repayable in July 2020.

Also included in other loans at 30 June 2020 includes £40,000,000 (30 June 2019; £Nil) secured by legal charges over the Company's guaranteed Premier League broadcast revenues. This loan incurs interest at a market value rate and was renewed post year end (see note 21).

17. Provision for Liabilities

	Group and Company			
	Pensions (note 20)	Contingent appearance fees	Onerous contracts	Total
	£'000	£'000	£'000	£'000
At 1 July 2019	481	7,899	-	8,380
Utilised in the period	(132)	(3,411)	-	(3,543)
Provided in the period	-	6,994	4,375	11,369
At 30 June 2020	349	11,482	4,375	16,206

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 2020 or 1 July 2019.

A provision for onerous contracts has been made due to the unavoidable cost of meeting the obligations under the contract expecting to exceed the economic benefit that would otherwise have been delivered.

18. Share Capital and Reserves

The Group and Company's Share Capital	30 June 2020	30 June 2019
	£'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 £350,250,000 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 £1,751,000 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 £53,993,000 (2019: £40,369,000) which are, as at 30 June 2020, 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 2020, of £34,894,000 (2019: £37,802,000) 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 £730,000 (2019: £718,000). The amount outstanding at year end was £64,000 (2019: £122,000).

21. Post Balance Sheet Events

Since 30 June 2020, the Club has entered into transfer agreements for confirmed contracted net transfer fees payable of £70,087,000.

Since 30 June 2020, the Club has taken out a new working capital facility through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past. This facility replaces the previous working capital facility which the Club had access to and is repayable on 1 July 2021.

Since 30 June 2020 the club's majority shareholder has provided further interest free loans of £50,000,000 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 2020 Everton Football Club Company Limited employees held two of the seven Trustee positions at the Charity. During the year Everton Football Club Company Limited donated £581,606 towards the operational costs of the Charity (2019: £390,000) and provided value in kind benefits of £516,929 (2019: £374,381). Value in kind benefits of £100,195 (2019: £82,869) were provided to Everton Free School Limited.

During the year the Club's Majority Shareholder has provided interest-free loans of £49,999,000, included in equity, with no agreed repayment date. The balance outstanding at year end was £348,499,000.

During the year the Club incurred £589,000 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. Capital Commitments

There were no capital commitments at 30 June 2020 or 30 June 2019 in the company or group.

24. Financial Instruments

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

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Financial assets				
Measured at amortised cost:				
Trade debtors	4,275	28,522	4,275	28,522
Measured at undiscounted amounts receivable:				
Trade debtors and other debtors	57,860	52,626	55,610	52,187
Amounts due from subsidiaries	-	-	41,240	22,586
Cash at bank and in hand	56,404	27,429	53,259	27,819
	118,539	**108,577**	**154,384**	**131,114**

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Measured at amortised cost:				
Trade creditors	27,766	34,352	27,766	34,352
Measured at undiscounted amount payable:				
Other Loans	58,707	36,645	58,707	36,645
Trade and other creditors	65,429	73,509	60,804	72,294
Amounts owed to subsidiaries	-	-	10,087	12,107
	151,902	**144,506**	**157,364**	**155,398**

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

	Group and Company	
	2020	2019
	£'000	£'000
Income and expense		
Total interest income for financial assets at amortised cost	3,226	2,925
Total interest expense for financial liabilities at amortised cost	(3,553)	(3,980)

25. Derivative Financial Instruments

	Group and Company	
	2020	2019
	£'000	£'000
Current Assets		
Forward foreign currency contracts	-	428

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

26. Net Debt Reconciliation

	Group and Company		
	At 1 July 2019	Cashflows	At 30 June 2020
	£'000	£'000	£'000
Cash at Bank and in Hand	27,429	28,975	56,404
Debt due within one year	(17,938)	(40,769)	(58,707)
Debt due between one and two years	(18,707)	18,707	-
	(9,216)	**6,913**	**(2,303)**

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