

TWENTY ELEVEN ANNUAL REPORT AND ACCOUNTS



Leicester Football Club Plc

**ANNUAL REPORT AND
ACCOUNTS 2011**

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DIRECTORS AND OFFICERS



PETER TOM CBE
Executive Chairman

Peter has been Chairman of Leicester Football Club (Leicester Tigers) for 18 years, he made 130 appearances for the club between 1963 and 1968. Peter was awarded a CBE for services to Business and Sport in 2006 and has an Honorary Degree from De Montfort University. Peter is currently chairman of building materials group, Breedon Aggregate and was formerly chief executive of Aggregate Industries, responsible for negotiating its sale to Holcim for £1.8bn in 2005. Peter is also Chairman of Leaf Clean Energy and is non-executive director of several other companies.



SIMON COHEN
Acting Chief
Operating Officer

Tigers' Head of Rugby Operations since 2005, Simon joins the board of directors in 2011 in the new position of acting Chief Operating Officer. Previously a sports lawyer and partner at James Chapman & Co in Manchester, Simon represented the England rugby team, Rugby Players Association and British & Irish Lions players. He also set up Rugby Class, a nationwide rugby coaching company, and was an agent for a number of England players including Jonny Wilkinson.



PETER WHEELER
Executive Director

Peter played 349 matches for the Club from 1969 to 1986. He was club captain for five seasons, played 41 times for England and in seven tests for the British Lions. In January 1996 he was appointed chief executive, having previously been managing director of a leading local company in the insurance industry. Peter represents the Club on the board of Premiership Rugby Limited and is the Aviva Premiership Clubs' representative on the board of European Rugby Cup Limited. He also represents Premiership Rugby Limited on the RFU Professional Game Board.



DAVID ABELL
Non-executive Director

David is executive chairman of Jourdan plc. He was previously chairman and chief executive of Suter plc and a director of British Leyland Limited. He has been a supporter of the club for more than 30 years.



GARRY ADEY
Non-executive Director

Garry played 381 times for the club over 14 years and was capped twice for England. Garry is executive chairman of Adey Holdings Limited, which has been established for over 80 years, in the steel fabrication and steel stockholding business.



TERRY GATELEY
Non-executive Director

Terry was a senior partner at KPMG. Since leaving KPMG, Terry has been involved with a variety of private equity backed companies. He is currently the senior independent non-executive director of IMI Plc.



ROY JACKSON
Non-executive Director

Roy spent all his working life in the printing industry. He was a director of Artisan Press and later chairman of Cavalier Reproductions. He is a vice president of the charity Special Effect and chairman of Trustees of the Matt Hampson Foundation. Roy has been associated with Leicester Tigers since 1982, having played local rugby for South Leicester and the Old Bosworthians.



**DIGBY, LORD JONES
OF BIRMINGHAM Kt**
Non-executive Director

Digby is a lawyer who, after 20 years in Corporate Law, served from 2000 to 2006 as Director-General of the CBI, moving in 2007 into the House of Lords as Minister of State for Trade & Investment. He now sits as an Independent Peer on the Crossbenches. He chairs the International Advisory Boards of HSBC and British Airways and the Advisory Board of the Jaguar Academy of Sport. He is Chairman of Triumph Motorcycles Ltd and Neutrino Concepts Ltd. He is a Senior Corporate Advisor to Babcock International Group plc and Monitise plc.



TOM SCOTT
Non-executive Director

Tom is a chartered accountant, and after graduating from the London School of Economics worked for KPMG in London. He has served on the main board and committees of a number of listed companies and is currently involved with businesses in the Channel Islands and UK mainland. Tom is a lifelong Tigers supporter and a major investor in the club.



RORY UNDERWOOD MBE
Non-executive Director

Rory scored 134 tries in 236 games for Leicester Tigers. He is England's record try-scorer, with 49 in 85 internationals. He toured with the British Lions in 1989 and 1993. A pilot in the RAF during his playing career, he now works in management consultancy. He is also Chairman of the Leicester Sports Partnership Trust Board.



SIR CLIVE WOODWARD
Non-executive Director

Clive led England to Rugby World Cup glory as Head Coach in 2003, and was knighted soon afterwards. He made 148 appearances as a player for Leicester Tigers between 1979 and 1985. He was capped 21 times by England and toured with the Lions. In 2005 he became Performance Director and then Director of Football at Southampton FC. In 2006 he was appointed Director of Sport for the British Olympic Association.

Company Secretary: Mary Ford

Registered Office: The Club House, Aylestone Road, Leicester LE2 7TR

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CHAIRMAN'S STATEMENT

It has been my privilege and honour to be chairman of Leicester Tigers from the days of the amateur era through to the age of the high profile professional game we enjoy today. We have seen many changes and had to fight many battles to get where we are, and although it is still relatively young as a professional sport, the Aviva Premiership is the most challenging and competitive league in world rugby, whilst the Heineken Cup is played with all the intensity of test rugby.

Over the past 12 months some commentators have questioned the financial strength of the Premiership clubs, but the reality is that there is substantial new and continuing investment being made to sustain, develop, and grow the elite club game in England. We have a wonderful product for spectators to enjoy, and we should be celebrating what has been achieved by Premiership Rugby and the clubs.

Here at Leicester we are steadily building the Tigers' brand value, as we pursue our vision to make Leicester the best club in the world. We have the potential, we have the opportunity, and we have the ambition to deliver this vision for our supporters.

In the year ended June 30, 2011 we achieved a record turnover of just under £20 million, and our operating profit almost doubled to £559,000. This was an outstanding achievement in a very difficult business environment and amid continuing uncertainty over the economy. We were especially pleased at how quickly this year's share placement and loan notes offer, reported in the business review, were taken up. This is particularly encouraging in light of our plans to obtain a listing of the company's shares on a public exchange in due course.

In September 2011, David Clayton retired and resigned from the board. David had been managing director at Tigers for the previous 12 years, and made a major contribution to the club's growth and development in that time. I would like to place on record the board's thanks and appreciation for his work over such a long period. During his time at Leicester, the club has grown from a turnover of £4 million to nearly £20 million in 2010/11. I am delighted to say that David has agreed to continue his involvement with the club in an advisory and consultancy capacity.

Simon Cohen was appointed to the board as acting chief operating officer in October 2011. Simon has been with the club since 2005 as head of rugby operations.

Tom Scott was also appointed to the board in October 2011. I am delighted to welcome Tom to the board and look forward to his input as a successful businessman and ardent supporter of Leicester Tigers. Tom is also a major investor in the club.

The board intends to further strengthen the senior management team by appointing a chief executive and a search is already underway for a suitable candidate to fill this important new role.

On the field we once again finished the season in the top spot in the Premiership, although we were disappointed to lose the play-off final at Twickenham. It was, nevertheless, another successful year for the club.

For professional rugby to progress and thrive, it is essential for the clubs and the RFU to work closely together for the betterment of the game at all levels. The troubles at the RFU have been well documented and for the good of the game it is important that the Union quickly resolves these difficulties and puts in place the right strategies, structures and people to help us take the game forward together. In 2015 we host the Rugby World Cup here in England and this will provide us all with an excellent opportunity to showcase the game and create a legacy for the future.

I've no doubt the next 12 months will prove challenging for us all as the world economies struggle to establish stability and growth, but I am confident we have the people here at Tigers to meet the challenges the future will bring.

No other business generates the same level of emotion and passion as sport and at Leicester Tigers it's no different. Week in, week out, you see and feel this on the terraces at Welford Road, and it never fails to amaze me how many people I meet in the business world who want to hear and talk about Tigers. Our success has been built on the wonderful support we get from so many different people, both inside and outside the club, and on behalf of the board I thank you, our shareholders, members, sponsors and employees for the passion you have for this club and for the commitment and support you have continued to give us over the past year.

Finally, I thank my fellow directors for the time, energy and commitment they give to helping make Leicester Tigers the great club it is.



Peter W G Tom CBE
Executive Chairman

BUSINESS REVIEW

Despite a difficult and challenging market place we achieved record sales in the year ended June 30, 2011, driven by further growth in our commercial operations.

On the field we finished the season top of the Aviva Premiership for the third season in a row, winning through to the play-off final at Twickenham, only to lose out to Saracens by a narrow four-point margin.

Our 'A' League side also had another outstanding season, finishing champions for the second season in succession.

Our performance on and off the field ensured we retained our status as the most successful club in England.

Finance

Our income for the year increased by six percent to £19.5 million, and operating profit grew by £275,000, to £0.6 million, almost double the previous year. After interest payable our profit before tax was £207,000, compared to £42,000 a year earlier. Given the continuing economic uncertainty, and the impact this had during the year on individuals and companies, this was an excellent trading performance which exceeded our budget.

In April 2011, we raised a further £4.4 million from the issue of convertible loan notes and a share placement to enable us to continue with our development plans for Welford Road.

Rugby

In the three senior competitions in which we competed last season – the Heineken Cup, Aviva Premiership and the LV=Cup – we played 35 matches, winning 21, drawing 2 and losing 12. Our playing record in the 'A' League was: played 12, won 10, drew 0 and lost 2. During the season our academy played 24 games, winning 20 and losing 4.

During the year, 33 Tigers players represented their countries at senior and junior levels. These included six members of England's elite playing squad and seven members of the England Saxons squad.

While it is a great honour to have so many of our players selected to represent their countries, their absence when it coincides with Premiership games weakens our squad and creates additional selection difficulties for Richard Cockerill and his coaches. The absence of players during the World Cup this year has further aggravated these selection difficulties for Richard.

The end of a season always sees departures and arrivals of players and this year Dan Hipkiss, Lucas Amorosino, Joe Duffey, Matt Everard, Will Hurrell, Joe Cobden and Dave Markham left the club. We wish them all well at their new clubs. New arrivals to strengthen the squad for the 2011/12 season and provide cover for the Rugby World Cup were Matthew Tait, Kieran Brooks, Graham Kitchener, Micky Young and Andy Forsyth.

Commercial activities

Income from ticket sales, including season tickets, went up five percent to a record £6.0 million, accounting for 31 percent of our total income for the year.

The average number of tickets sold for home games was 18,400, which represented a stadium occupancy of 77 percent. Season ticket sales were 12,875. The comparable figures for season 2009/10 were 20,100 and 13,433. The reduction in sales mirrors a decline in ticket sales across the Premiership of some seven percent. The averages for match and season tickets for Premiership clubs in 2010/11 were 12,433 and 5,759 respectively.

Income from matchday hospitality sales was £2.6 million, an increase of £81,000 compared to the previous season. This was a good performance in a tough market. All 26 of our executive boxes were sold, as were memberships of our 1880 executive club. Tigers Events Limited (TEL), the international hospitality arm of our business, achieved record sales and increased its market share in an extremely competitive market sector. The main focus for TEL to date has been international rugby, but we are now looking to expand TEL's business base into other sports, notably Formula 1, tennis, horse racing and golf.

During the year we saw the benefits of our decision taken last year to strengthen our conference and events team. Usage of our facilities in the Caterpillar Stand increased significantly, with income rising to £1.1 million, an increase of 11 percent. More agencies are now booking events with us on behalf of their clients and we are hosting a growing number of wedding receptions.

In July 2011, we agreed a 10-year multi-million pound retail deal with Kitbag, the world's leading on-line sports retail specialist, whose clients include many of Europe's leading soccer clubs, and national sports teams around the world. Kitbag now manages all aspects of our retail business, including the design and procurement of our product portfolio and the operation of all retail channels, including the new store at Welford Road. This is Kitbag's first full partnership with a rugby club and marks a new and exciting development for our retail business.

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BUSINESS REVIEW

CONTINUED

Tigers in the community

Members of our community team visited 500 schools, colleges and rugby clubs during the year, delivering 1,300 coaching sessions to 33,000 children and students. In addition to rugby coaching we also support and deliver a wide range of programmes to improve the health and wellbeing of young people in association with local government and the business community.

Risks and uncertainty

In professional team sport the two most important areas of risk and uncertainty are team performance and playing success. These are the drivers for commercial growth and financial viability, and are the key factors which will drive ticket sales and sponsorship, and build brand value.

Your board has always committed to spending the maximum permissible under the squad salary cap regulations and we have continued to invest in providing world-class support and medical facilities for our players. This strategy, whilst financially challenging at times, has seen Leicester Tigers become the leading club in England and one of the most successful in World rugby. Viewing figures for last season show that Tigers attracted the highest average television audience in the Premiership, and as coverage increases so too should the value of the Leicester Tigers brand.

The financial risks we face are primarily related to good cashflow management and compliance with our bank covenants.

Business outlook: the year ahead

The Rugby World Cup in New Zealand will have a direct impact on our business, on and off the field, in 2011/12. For the first few months of the season we were without our international players. As they return, they may well be suffering from physical and mental fatigue and will need to be carefully managed back to first-team action. With no autumn internationals this year, the amount Premiership Rugby receives from the RFU will reduce and this in turn will mean a reduction in the funding each club will receive from Premiership Rugby.

Although the economy continues to create uncertainty, our results in 2010/11 indicate that this did not have a material adverse impact on income and, while consumer expenditure on big ticket items may suffer, there are indications that consumer spending on leisure and social activities will remain positive.

PROFESSIONAL ADVISERS

AUDITORS

KPMG Audit Plc
1 Waterloo Way
Leicester LE1 6LP

REGISTRARS

Equiniti Limited
Aspect House
Spencer Road, Lancing,
West Sussex BN99 6DA

SOLICITORS

Josiah Hincks
The Manse
22 De Montfort Street
Leicester LE1 7GB

BANKERS

HSBC Bank Plc
2-6 Gallowtree Gate
Leicester LE1 1DA

Harvey Ingram LLP

20 New Walk
Leicester LE1 6TX

Wragge & Co

55 Colmore Row
Birmingham B3 2AS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2011.

Principal activities

The group's principal activities are to promote, encourage and foster the game of Rugby Union Football for the benefit of its shareholders, supporters and other stakeholders, to undertake other activities connected with Rugby Football and to make full commercial use of the stadium's facilities.

Financial results

The financial results are summarised in the consolidated profit and loss account on page 11. Details of the group's operating activities are given in the chairman's statement and business review on pages 4 to 6.

Proposed dividend

The directors do not recommend the payment of a dividend for the year ended 30 June 2011 (*30 June 2010: Nil*).

Policy and practice on payment of creditors

The group's policy for the payment of its suppliers is to agree terms of payment at the start of business or to ensure that the supplier is aware of the group's standard payment terms. Payment to suppliers is made in accordance with contractual and other legal obligations.

At the financial year end, there were 24 days (*30 June 2010: 25 days*) purchases in trade creditors, based on average purchases throughout the year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as each of them is aware, there is no relevant audit information of which the group's auditors are unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Directors

The directors who served during the year to 30 June 2011 and subsequently were as follows:

Peter Tom CBE
 David Abell
 Garry Adey
 David Clayton (resigned 30th September 2011)
 Simon Cohen (appointed 1 October 2011)
 Terry Gateley
 Roy Jackson
 Digby, Lord Jones of Birmingham Kt
 Tom Scott (appointed 1 October 2011)
 Rory Underwood MBE
 Peter Wheeler
 Sir Clive Woodward.

David Abell and Garry Adey retire by rotation in accordance with the company's Articles of Association and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Simon Cohen and Tom Scott were appointed as directors by the board on 1 October 2011. In accordance with the company's Articles of Association they will seek re-appointment by the shareholders at the forthcoming annual general meeting.

Corporate Governance

Whilst the provisions of the UK Corporate Governance Code are drafted for compliance by companies whose shares are listed and traded on a recognised stock exchange, the directors acknowledge the benefits of complying with the Code to the extent applicable to a company of the size and nature of Leicester Football Club Plc.

The directors also take into consideration, as part of their decision-making process, the sections of the Companies Act 2006 which define director's duties.

The directors meet at least ten times each year and consider and approve the strategy and future development of the group, set budgets, and approve financial policies and decisions and monitor financial performance.

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DIRECTORS' REPORT

CONTINUED

Corporate Governance (cont'd)

The directors acknowledge their responsibilities for ensuring that the group has in place appropriate systems of internal control which are reviewed on a regular basis to ensure their continued effectiveness. In order to support this process there is an established audit committee. This is comprised of two non-executive directors who are listed below. Mr Gateley chairs the committee by reason of his extensive financial experience. The main functions of the audit committee are to liaise with the external auditors, to review the annual financial statements and to consider the effectiveness of the group's systems of internal control. The committee has access to external professional guidance.

The board has also established a remuneration committee comprising four non-executive directors who are listed below. The committee is responsible for agreeing the remuneration packages for the two executive directors and senior managers to ensure that these adequately reflect the contribution these individuals make to the group and market forces. The committee has access to external professional advice when required.

The Board establishes other committees to deal with specific projects on an ad hoc basis. Consideration is given to ensuring that the membership of these committees takes full advantage of the knowledge and experience of individual directors.

Board Committees

Audit Committee

Terry Gateley (Chairman)
David Abell

Remuneration Committee

Digby, Lord Jones of Birmingham Kt (Chairman)
David Abell
Garry Adey
Roy Jackson

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operation for the foreseeable future and therefore continue to adopt the going concern basis in preparing the accounts.

Environmental policy

The group has an environmental policy, the objectives of which include the minimisation of waste at source, the minimal use of energy and the regulation and improvement of operation processes to cause the least practicable impact on the environment.

Employment policy

It is the group's policy to treat all its employees fairly and specifically to prohibit discrimination on the grounds of race, religion, sex, nationality or ethnic origin. Disabled people are given equal consideration for all job vacancies for which they are suitable.

Annual General Meeting

The notice concerning the annual general meeting to be held on Tuesday 6 December 2011 is enclosed with this report.

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

Mary Ford

Company Secretary

24 October 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEICESTER FOOTBALL CLUB PLC

We have audited the financial statements of Leicester Football Club Plc for the year ended 30 June 2011 set out on pages 11 to 31. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.



T Widdas (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
Peat House
1 Waterloo Way
Leicester
LE1 6LP

24 October 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011		2010	
		£000	£000	£000	£000
Turnover	2		19,502		18,489
Ground and match expenses		(8,110)		(7,748)	
Administrative expenses		(1,972)		(1,783)	
Staff costs	5	(8,075)		(8,105)	
Depreciation		(812)		(743)	
Other operating income		66		44	
			(18,903)		(18,335)
Operating profit before transfer fees			599		154
Net transfer fees (payable)/receivable			(40)		130
Total operating profit			559		284
Bank interest receivable	6		7		3
Bank interest payable	7		(359)		(245)
Profit before taxation	3		207		42
Tax on profit on ordinary activities	8		(164)		(268)
Retained profit/(loss) for the year for group			43		(226)

All results are derived from continuing operations.

NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	£000	£000
Reported profit before taxation	207	42
Difference between a historical cost depreciation charge and actual depreciation charge calculated on the revalued amount	67	67
Historic cost profit on ordinary activities before taxation	274	109
Historic cost profit/(loss) for the year retained after taxation	110	(159)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	£000	£000
Profit/(loss) for the financial year	43	(226)
Unrealised gain on revaluation of land and buildings	5,627	-
Total recognised gain/(loss) relating to the year	5,670	(226)

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CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2011

	Note	2011		2010	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	8		56	
Tangible assets	10	33,868		28,880	
			33,876		28,936
Current assets					
Stocks	12	140		137	
Debtors	13	2,624		2,218	
Cash at bank and in hand		4,452		1,155	
		7,216		3,510	
Creditors: amounts falling due within one year					
	14	(9,145)		(9,558)	
Net current liabilities					
			(1,929)		(6,048)
Total assets less current liabilities					
			31,947		22,888
Creditors: amounts falling due after one year					
Loans and deferred season ticket income	15		(12,911)		(11,283)
Other deferred income	16		(880)		(1,027)
Provisions for liabilities and charges	17		(267)		(104)
Net assets					
			17,889		10,474
Capital and reserves					
Called up share capital	18		753		646
Share premium account	19		6,284		4,646
Revaluation Reserve	19		9,313		3,753
Profit and loss account	19		1,539		1,429
Shareholders' funds					
			17,889		10,474

These financial statements were approved by the board of directors on 24 October 2011 and were signed on its behalf by:

Peter Tom CBE
Chairman

Registered company number: 03459344

COMPANY BALANCE SHEET

AT 30 JUNE 2011

	Note	2011		2010	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	-		40	
Tangible assets	10	33,868		28,880	
Investments	11	115		115	
			33,983		29,035
Current assets					
Stocks	12	140		137	
Debtors	13	2,612		2,065	
Cash at bank and in hand		3,781		632	
			6,533		2,834
Creditors: amounts falling due within one year	14	(8,858)		(9,261)	
			(2,325)		(6,427)
Net current liabilities					
Total assets less current liabilities			31,658		22,608
Creditors: amounts falling due after one year					
Loans and deferred season ticket income	15		(13,211)		(11,441)
Other deferred income	16		(880)		(1,027)
Provisions for liabilities & charges	17		(268)		(106)
Net assets			17,299		10,034
Capital and reserves					
Called up share capital	18		753		646
Share premium account	19		6,284		4,646
Revaluation reserve	19		9,313		3,753
Profit and loss account	19		949		989
Shareholders' funds			17,299		10,034

These financial statements were approved by the Board of directors on 24 October 2011 and were signed on its behalf by:

Peter Tom CBE
Chairman

Registered company number: 03459344

ANNUAL REPORT AND ACCOUNTS 2011

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

		2011	2010
	Note	£000	£000
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit after transfer fees and impairment loss		559	284
Depreciation and amortisation charges		937	860
Profit on disposal of tangible fixed assets		(20)	-
Deferred grant release		(77)	(72)
Amortisation of issue costs		71	72
Increase in stocks		(3)	(11)
(Increase)/decrease in debtors		(473)	133
Decrease in creditors		(803)	(992)
Net cash inflow from operating activities		191	274
Cash flow statement			
Cash flow from operating activities		191	274
Returns on investments and servicing of finance	23	(352)	(242)
Taxation		66	(212)
Capital expenditure and financial investment	23	(230)	(4,924)
Financing	23	3,622	5,342
Increase in cash in the year		3,297	238
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		3,297	238
Cash inflow from increase in debt		(1,877)	(5,342)
Change in net funds resulting from cash flows	24	1,420	(5,104)
Amortisation of issue costs		(71)	(59)
Supplier loan release		278	284
Movement in net funds in the year		1,627	(4,879)
Net funds at the start of the year	24	(10,350)	(5,471)
Net funds at the end of the year	24	(8,723)	(10,350)

RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2010

	2011	2010
	£000	£000
Profit/(loss) for the financial year	43	(226)
Minority interest eliminated on acquisition/movement in the year	-	(59)
Revaluation reserve	5,560	(67)
Profit and loss impact of revaluation reserve movement in the year	67	67
New share capital subscribed (net of issue costs)	1,745	75
Net increase/(reduction) to shareholders' funds	7,415	(210)
Opening shareholders' funds	10,474	10,684
Closing shareholders' funds	17,889	10,474

RECONCILIATION OF MOVEMENTS IN COMPANY SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2010

	2011	2010
	£000	£000
Loss for the financial year	(107)	(417)
Revaluation reserve	5,560	(67)
Profit and loss impact of revaluation reserve movement in the year	67	67
New share capital subscribed (net of issue costs)	1,745	75
Net increase/(reduction) to shareholders' funds	7,265	(342)
Opening shareholders' funds	10,034	10,376
Closing shareholders' funds	17,299	10,034

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NOTES

(forming part of the financial statements)

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings.

The amendments to accounting standards applicable for this accounting period have not had a material effect on the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2011. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. The group's share of the profits less losses of associates is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet. In accordance with FRS2, an undertaking may be treated as a subsidiary undertaking because its parent undertaking has the power to exercise dominant influence or control over it, even though a 50% or greater shareholding is not held in the entity.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

In the company's financial statements, investments in subsidiary undertakings and associates are stated at cost less amounts written off.

Fixed assets and depreciation

Depreciation is provided in order to write off the cost or revalued amount, less the estimated residual value, of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Welford Road	- costs incurred and revalued amount on freehold land and buildings	50 years
Oval Park	- costs incurred and revalued amount on freehold buildings and short leasehold property over the period of the lease or useful economic life	10 – 50 years
Fixtures and fittings		3 – 10 years

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment is recognised whenever the carrying amount of the asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognise gains and losses until the carrying amount reaches the asset's depreciated historic cost.

NOTES

CONTINUED

1 ACCOUNTING POLICIES CONT'D

Transfer fees

The cost of players' registrations are capitalised and amortised over the period of the respective players' contracts. Transfers are recognised in the year in which the transfer is registered with the relevant governing body, except where the contract is conditional upon registration, in which case the transfer is recognised when the contract becomes unconditional (usually when payment is made or received).

Grants

Capital based grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension scheme

The company operates defined contribution personal pension schemes on behalf of certain staff. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting year.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover is stated net of value added tax and comprises amounts received or receivable in respect of ticket sales, matchday hospitality, sponsorship royalties and advertising, events, catering and merchandising and is recognised as the relevant service is provided.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash).

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the term of the debt at a constant rate on the carrying amount.

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2 ANALYSIS OF TURNOVER

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Turnover comprises:		
Rugby income	6,020	5,661
Premier Rugby Limited income	3,263	2,831
Commercial income	10,219	9,997
	<u>19,502</u>	<u>18,489</u>

All turnover originates within the UK.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and other amounts written off tangible fixed assets	889	815
Amortisation of goodwill	8	5
Hire of plant and machinery - rentals payable under operating leases	22	38
Rentals payable under other operating leases	34	18
Profit on the sale of fixed assets	(20)	-
Release of deferred income		
Deferred grant	(77)	(72)
Executive boxes	(461)	(441)
	<u></u>	<u></u>

Auditors' remuneration:

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Audit of these financial statements	13	13
Other services relating to taxation	30	138
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	7	7
	<u></u>	<u></u>

NOTES**CONTINUED****4 REMUNERATION OF DIRECTORS**

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Directors' emoluments	<u>260</u>	<u>284</u>
Company contributions to money purchase pension schemes	<u>37</u>	<u>38</u>

The non-executive directors have received no remuneration from the company for their services. All of the non-executive directors have waived their entitlement to a fee of up to £5,000 (excluding expenses).

FOR THE YEAR ENDED 30 JUNE	NUMBER OF DIRECTORS	
	2011	2010

Retirement benefits are accruing to the following number of directors under:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £138,000 (2010: £142,000), and company pension contributions of £19,000 (2010: £19,000) were made to a money purchase scheme on his behalf.

5 STAFF NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

FOR THE YEAR ENDED 30 JUNE	NUMBER OF EMPLOYEES	
	2011	2010
Playing and coaching staff	79	77
Administration and other support staff	<u>68</u>	<u>65</u>
	<u>147</u>	<u>142</u>

The aggregate payroll costs of these persons were as follows:

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Wages and salaries	7,136	7,210
Social security costs	748	737
Other pension costs	<u>191</u>	<u>158</u>
	<u>8,075</u>	<u>8,105</u>

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CONTINUED

6 BANK INTEREST RECEIVABLE

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000

Bank interest	7	3
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7 INTEREST PAYABLE AND SIMILAR CHARGES

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000

On bank loan and bond	359	245
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8 TAXATION

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000

(i) Analysis of charge in period

UK Corporation Tax

UK corporation tax at 27.5% (30 June 2010: 28%)	-	(18)
Adjustment arising from previous periods	1	180
Total current tax	1	162

Deferred tax

Current year	163	108
Arising from adjustments from previous periods	-	(2)
Total deferred tax	163	106
Tax on profit on ordinary activities	164	268

(ii) Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2010: higher) than the standard rate of corporation tax in the UK of 27.5% (2010: 28%).

Current tax reconciliation:

Profit before taxation	207	42
UK corporation tax at 27.5% (30 June 2010: 28%)	57	12
Effects of:		
Expenses non deductible	26	24
Non taxable income	(21)	(20)
Depreciation on assets not qualifying for capital allowances	123	123
Capital allowances in excess of depreciation	(186)	(312)
Short term timing differences	(5)	(9)
Increase in losses carried forward	12	172
Other	(6)	(8)
Adjustments arising from previous periods	1	180
Current tax charge for the year	1	162

NOTES**CONTINUED****8 TAXATION (CONTINUED)****Factors that may affect future tax charges**

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate reduction creates a reduction in the deferred tax liability which has been included in the figures above.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 26 per cent to 23 per cent, if these applied to the deferred tax balance at 30 June 2011, would be to reduce the deferred tax liability by approximately £31,000.

9 INTANGIBLE FIXED ASSETS

GROUP	GOODWILL	TRANSFER FEES	TOTAL
	£000	£000	£000
Cost			
At the beginning of the year	58	120	178
Additions	-	-	-
	<u>58</u>	<u>120</u>	<u>178</u>
At the end of the year	<u>58</u>	<u>120</u>	<u>178</u>
Amortisation			
At the beginning of the year	42	80	122
Charged in the year	8	40	48
	<u>50</u>	<u>120</u>	<u>170</u>
At the end of the year	<u>50</u>	<u>120</u>	<u>170</u>
Net book value			
At 30 June 2011	8	-	8
At 30 June 2010	<u>16</u>	<u>40</u>	<u>56</u>

COMPANY	TRANSFER FEES	TOTAL
	£000	£000
Cost		
At the beginning and end of the year	120	120
Amortisation		
At the beginning of the year	80	80
Charged in the year	40	40
	<u>120</u>	<u>120</u>
At the end of the year	<u>120</u>	<u>120</u>
Net book value		
At 30 June 2011	-	-
At 30 June 2010	<u>40</u>	<u>40</u>

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CONTINUED

10 TANGIBLE FIXED ASSETS

GROUP AND COMPANY					
	Freehold land & buildings	Freehold land & buildings Welford Road	Short leasehold land & Oval Park	Fixtures and fittings buildings Oval Park	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At the beginning of the year	27,008	1,460	1,890	2,726	33,084
Additions	11	-	-	239	250
Disposal	-	-	-	(13)	(13)
Transfer	(1,251)	(105)	105	1,251	-
Revaluation	3,232	170	(240)	-	3,162
	<u>29,000</u>	<u>1,525</u>	<u>1,755</u>	<u>4,203</u>	<u>36,483</u>
At the end of the year	29,000	1,525	1,755	4,203	36,483
Depreciation					
At the beginning of the year	1,658	107	204	2,235	4,204
Charge for the year	581	27	51	230	889
Disposal	-	-	-	(13)	(13)
Transfer	(163)	-	-	163	-
Revaluation	(2,076)	(134)	(255)	-	(2,465)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,615</u>	<u>2,615</u>
At the end of the year	-	-	-	2,615	2,615
Net book value					
At 30 June 2011	29,000	1,525	1,755	1,588	33,868
At 30 June 2010	25,350	1,353	1,686	491	28,880

Freehold land and buildings at Welford Road and Oval Park together with short leasehold land and buildings at Oval Park were revalued by Innes England, independent Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, as at 1 July 2011 using the depreciated replacement cost basis (as prescribed by FRS15 for specialised properties). Under the historic cost convention the net book value of the following groups of assets would have been:

GROUP AND COMPANY		
FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Freehold land & buildings Welford Road	21,559	23,313
Freehold land & buildings Oval Park	758	882
Short leasehold land and buildings Oval Park	750	662
	<u>23,067</u>	<u>24,857</u>

NOTES**CONTINUED****11 FIXED ASSET INVESTMENTS**

COMPANY		
FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Subsidiary undertakings		
Cost and net book value at the beginning of the year	115	40
Additions	-	75
Cost and net book value at the end of the year	115	115

The company has an interest in the share capital of the following undertakings:

	Country of incorporation	Principal activity	Class and percentage of shares held	Indirect group holding
Subsidiary and associated undertakings				
Tigers Events Limited	UK	Corporate entertainment	Ordinary 100%	100%
Leicester Tigers Limited	UK	Dormant	Ordinary 100%	100%
Leicester Rugby Club Limited	UK	Dormant	Ordinary 100%	100%
Harlequin Event Management Limited	UK	Corporate entertainment	Ordinary 54%	54%
Grass Roots Rugby Limited	UK	Dormant	Ordinary 100%	100%
Leicester Tigers Loan Notes Limited (previously Ingleby (1821) Limited)	UK	Finance Company	Ordinary 100%	100%

12 STOCKS

GROUP AND COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Goods for resale	140	137

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13 DEBTORS

GROUP		
AT 30 JUNE	2011	2010
	£000	£000
Trade debtors	2,007	1,602
Other debtors	158	122
Prepayments and accrued income	452	420
Corporation tax debtor	7	74
	<u>2,624</u>	<u>2,218</u>

COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Trade debtors	1,770	1,390
Amounts owed by group undertaking	334	171
Other debtors	149	130
Prepayments and accrued income	352	307
Corporation tax debtor	7	67
	<u>2,612</u>	<u>2,065</u>

NOTES**CONTINUED****14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

GROUP		
AT 30 JUNE	2011	2010
	£000	£000
Bank loans and overdrafts	700	525
Trade creditors	2,462	3,052
Other creditors	-	160
Taxation and social security	1,128	840
Supplier loans	270	240
Income received in advance:		
Season ticket income	2,757	3,195
Advertising revenue	108	71
Sponsorship and hospitality	1,720	1,475
	<u>9,145</u>	<u>9,558</u>

COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Bank loans and overdrafts	700	525
Trade creditors	2,261	2,753
Other creditors	-	160
Intercompany creditor	31	2
Taxation and social security	1,126	840
Supplier loans	270	240
Income received in advance:		
Season ticket income	2,757	3,195
Advertising revenue	108	71
Sponsorship and hospitality	1,605	1,475
	<u>8,858</u>	<u>9,261</u>

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CONTINUED

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

GROUP		
AT 30 JUNE	2011	2010
	£000	£000
Bank loans and overdrafts	5,587	6,237
Supplier loans	1,353	1,661
Loan notes	5,265	2,842
Payments in advance:		
Season tickets	706	543
	<u>12,911</u>	<u>11,283</u>

COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Bank loans and overdrafts	5,587	6,237
Intercompany creditor	5,565	3,000
Supplier loans	1,353	1,661
Income received in advance:		
Season tickets	706	543
	<u>13,211</u>	<u>11,441</u>

GROUP AND COMPANY BANK LOAN AND SUPPLIER LOAN		
AT 30 JUNE	2011	2010
	£000	£000
Between one and two years	970	765
Between two and five years	2,910	2,820
In over five years	3,060	4,313
	<u>6,940</u>	<u>7,898</u>

HSBC Bank plc holds security over certain of the company's assets and undertakings in accordance with the terms of a loan and debenture with the company.

The bank loan is repayable over eleven years. Interest is payable on the loan at a rate linked to the Bank of England base rate. As part of the loan agreement, an element of the loan has been hedged, capping the interest charge for five years.

The supplier loans unwind in accordance with their contractual terms and conditions.

Included within creditors is £5.6m (gross) (2010: £3m) of convertible loan notes of which £2.6m were issued during the year by Leicester Tigers Loan Notes Limited (previously Ingleby (1821) Limited). These have been classified wholly within creditors falling due after more than one year in accordance with FRS 25.

NOTES**CONTINUED****16 DEFERRED INCOME**

GROUP AND COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Deferred grants	536	593
Executive boxes	344	434
	<u>880</u>	<u>1,027</u>

Included in deferred income is £371,801 (30 June 2010: £373,607) that will be released to the profit and loss account within one year.

Deferred grants

Various grants have been received which contributed towards the construction of the Goldsmiths stand at Welford Road and the Academy building at Oval Park training facility.

Executive boxes

Deferred income relates to receipts for the use of executive boxes for a period of between 1 and 3 years. The balance is being released, by season, over the period of entitlement.

17 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP		
AT 30 JUNE	2011	2010
	£000	£000
Deferred Taxation		
Liability at the beginning of the year	(104)	2
Charge to the profit and loss account	(163)	(106)
	<u>(267)</u>	<u>(104)</u>
Liability at the end of the year		
The elements of deferred taxation are as follows:		
Difference between accumulated depreciation and capital allowances	(530)	(657)
Other timing differences	6	12
Tax losses	257	541
Deferred tax liability	<u>(267)</u>	<u>(104)</u>

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CONTINUED

17 PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Deferred Taxation		
Liability at the beginning of the year	(106)	-
Charge to the profit and loss account	(162)	(106)
	<u>(268)</u>	<u>(106)</u>
Liability at the end of the year	(268)	(106)
The elements of deferred taxation are as follows:		
Difference between accumulated depreciation and capital allowances	(531)	(659)
Other timing differences	6	12
Tax losses	257	541
	<u>(268)</u>	<u>(106)</u>
Deferred tax liability	(268)	(106)

Deferred tax assets are not recognised where there is insufficient certainty over the availability of suitable taxable profits against which these losses can be utilised. Unprovided deferred tax is as follows:

GROUP AND COMPANY		
AT 30 JUNE	2011	2010
	£000	£000
Tax losses	29	31

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £325,000 (2010: £952,000). At present, it is not envisaged that any tax will become payable in the foreseeable future.

18 CALLED UP SHARE CAPITAL

GROUP		
AT 30 JUNE	2011	2010
	£000	£000
Allotted, called up and fully paid		
7,526,667 ordinary shares of 10p each	753	646

In the year ended 30 June 2011, the company issued 1,069,003 10p ordinary shares for net consideration of £1,745,000 after issue costs of £126,000.

During the comparative year, the company issued 50,000 10p ordinary shares for no cash consideration as it was a share for share transaction between the shareholders in Tigers Events Limited and Leicester Football club Plc. This resulted in Leicester Football Club Plc acquiring the remaining 20% minority interest in Tigers Events Limited.

NOTES**CONTINUED****19 SHARE PREMIUM AND RESERVES**

GROUP			
	Share Premium Account	Revaluation Reserve	Profit & loss Account
	£000	£000	£000
At beginning of year	4,646	3,753	1,429
Retained profit for the year	-	-	43
Revaluation reserve movement in the year	-	5,627	-
Transfer from revaluation reserve to profit and loss account	-	(67)	67
Share capital issue	1,638	-	-
At end of year	6,284	9,313	1,539

COMPANY			
	Share Premium Account	Revaluation Reserve	Profit & loss Account
	£000	£000	£000
At beginning of year	4,646	3,753	989
Retained loss for the year	-	-	(107)
Revaluation reserve movement in the year	-	5,627	-
Transfer from revaluation reserve to profit and loss account	-	(67)	67
Share capital issue	1,638	-	-
At end of year	6,284	9,313	949

20 MINORITY INTERESTS

GROUP	2011	2010
	£000	£000
At beginning of year	-	59
Eliminated on acquisition	-	(59)
At the end of the year	-	-

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21 COMMITMENTS

(a) There were no capital commitments at the year end (2010: £nil).

(b) Annual commitments under non-cancellable operating leases are as follows:

GROUP AND COMPANY	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000

Operating leases which expire:

Within one year	34	7	-	7
In the second to fifth years inclusive	-	16	-	7
Over five years	-	-	-	-
	<u>34</u>	<u>23</u>	<u>-</u>	<u>14</u>

22 PENSION SCHEMES

The group operates defined contribution personal pension schemes on behalf of certain staff. The pension cost charge for the period represents contributions payable by the group to the schemes and amounted to £190,851 (2010: £157,649).

Contributions of £Nil were outstanding at 30 June 2011 (2010: £Nil).

23 ANALYSIS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE	2011	2010
	£000	£000
Returns on investment and servicing of finance		
Interest received	7	3
Interest paid	(359)	(245)
	<u>(352)</u>	<u>(242)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(250)	(4,924)
Purchase from disposal of tangible fixed assets	20	-
	<u>(230)</u>	<u>(4,924)</u>
Financing		
(Repayment of)/increase in bank debt	(525)	2,000
Increase in supplier loan	-	500
Issue of loan notes	2,402	2,842
Issue of share capital	1,745	-
	<u>3,622</u>	<u>5,342</u>

NOTES**CONTINUED****24 ANALYSIS OF NET DEBT**

	At the beginning of the year	Cash Flow	Other non cash changes	At the end of the year
	£000	£000	£000	£000
Cash at bank and in hand	1,155	3,297	-	4,452
Creditors > 1 year - Bank loan	(6,237)	-	650	(5,587)
Creditors > 1 year - Bank loan	(525)	525	(700)	(700)
Suppliers loans	(1,901)	-	278	(1,623)
Loan note creditor	(2,842)	(2,402)	(21)	(5,265)
Total	(10,350)	(1,420)	207	(8,723)

25 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

The following information is provided in accordance with FRS 8 as being transactions with related parties during the year ended 30 June 2011:

Name of related party	VALUE IN THE PERIOD				Net Amount Due to/(by) the Company
	Sales	Purchases	Services Supplied	Services Received	
	£000	£000	£000	£000	£000
Group and Company					
Adey Steel Limited	1	7	-	-	-

The above is a related party with the company for the reason set out below:

Mr Garry Adey is the controlling director of Adey Holdings Limited, the parent company of Adey Steel Limited.



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