CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR (ended June 30, 2019), AND CONSOLIDATED MANAGEMENT REPORT

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Translation of a report originally issued in Catalan based on our work performed in accordance with prevailing audit regulations in Spain and of consolidated financial statements originally issued in Catalan and prepared in accordance with the regulatory framework for financial information applicable to the Group in Spain (see Note 2.1). In the event of discrepancy, the Catalan-language version prevails.

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the General Assembly of Futbol Club Barcelona:

Opinion

We have audited the consolidated financial statements of Futbol Club Barcelona (the Club) and its subsidiaries (the Group), which comprise the consolidated balance sheet at June 30, 2019, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the equity and financial position of the Group at June 30, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying consolidated financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain, as required by prevailing audit regulations. In this regard, we have not provided any non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the consolidated financial statements of the current period. These risks were assessed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited. C.I.F. B-78970506.

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Recognition of contingent liabilities

At June 30, 2019 the Club is involved in several legal proceedings and verification and inspection proceedings brought by the tax authorities. Based on the best available information, the Club's Board of Directors has assessed and quantified the risks that may arise for the Club, recording a provision when the risk has been considered as probable. This assessment and quantification requires a considerable amount of judgment by the Club's Board of Directors and has therefore been a significant matter in our audit.

As part of our audit work, we have asked both the Club's legal department and external advisors for written confirmation of the assessment and quantification of the risks that may arise as a result of the proceedings mentioned in the paragraph above. Additionally, we have engaged our tax and legal experts to verify the conclusions reached by the Club's legal department and external advisors.

The information on the legal proceedings and the verification and inspection proceedings brought by the tax authorities is described in Notes 13.3 and 15.7 to the accompanying consolidated financial statements.

Measurement of intangible sporting assets

At June 30, 2019 the Group has intangible sporting assets in the consolidated balance sheet, net of amortization and impairment, amounting to 527.8 million euros, which correspond to the necessary costs for obtaining the players' registration rights and other similar rights from other entities. These rights are amortized based on the term of the contracts signed. The measurement of intangible sporting assets is subject to significant judgment in order to determine whether there is an indication that these intangible assets may be impaired and, if any, estimate their recoverable amount. As a result of this circumstance, and given the relevance of the balance of this heading, we have considered this area a relevant audit issue.

As part of our audit work, we have analyzed the procedures established by the Club for the recognition and amortization of the rights acquired, as well as for the identification of potential impairment and determination of the corresponding amount, if any, assessing the reasonableness of the assumptions and information used. Additionally, we have analyzed the main additions and derecognitions against supporting documentation, and the reasonableness of the amortization charge for the year.

Other information: consolidated management report

Other information refers exclusively to the consolidated management report for the year ended June 30, 2019, the preparation of which is the responsibility of the Club's Board of Directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report is to assess and report on the consistency of the consolidated management report with the consolidated financial statements based on the knowledge of the Group we obtained while auditing the financial statements, and not including any information not obtained as evidence during the course

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of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the consolidated management report is consistent with that provided in the consolidated financial statements for the year ended June 30, 2019 and their content and presentation are in conformity with applicable regulations.

Responsibility of the Club's Board of Directors for the consolidated financial statements

The Club's Board of Directors is responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and consolidated results of the Group, in accordance with the regulatory framework for financial information applicable to the Group in Spain, identified in Note 2 to the accompanying consolidated financial statements, and for such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Club's Board of Directors is responsible for assessing the Group'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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 prevailing audit regulations in Spain 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 consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Club's Board of Directors.

- Conclude on the appropriateness of the Club's Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Club's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Club's Board of Directors, we determine those that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.
(Registered in Spain's Official Register of Auditors under No. S0530)

(Original in Catalan signed by Xavier Pujol Pamies, registered in Spain's Official Register of Auditors under No. 18302)

July 23, 2019

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2019

(Thousands of euros)

ASSETS	Notes	06/30/2019	EQUITY AND LIABILITIES	Notes	06/30/2019
NON-CURRENT ASSETS					
Intangible assets		**542,418**	**EQUITY**	**Note 12**	
Intangible sporting assets	**Note 5**	527,795	**CAPITAL AND RESERVES**		**130,184**
Intangible non-sporting assets	**Note 6**		**Social Fund**		**127,832**
Software		13,159	Social Fund		127,832
Development		465	**Reserves**		**(2,140)**
Leasholds		827	Other reserves		(2,140)
Intangible assets in progress and prepayments		172	**Retained earnings**		**(35)**
Property, plant and equipment	**Note 7**	**205,561**	**Profit for the year attributable to the parent company**		**4,527**
Stadiums and arenas		67,903	**GRANTS, DONATIONS AND BEQUESTS RECEIVED**	**Note 12.2**	**2,423**
Other land and constructions		36,825	**Total equity**		**132,607**
Plant and other PP&E items		13,077			
Property, plant and equipment under construction and prepayments		87,756	**NON-CURRENT LIABILITIES**		
Investment property	**Note 8**	**13,616**	**Non-current provisions**	**Note 13.1**	**16,208**
Non-current investments in group companies and associates	**Note 10.2**	**6,773**	**Non-current payables**	**Note 14.1**	**511,737**
Equity instruments		3,670	Bonds and other marketable debt securities		197,385
Loans to companies	**Note 20.2**	3,103	Bank borrowings		61,488
Non-current financial investments	**Note 10.1**	**101,489**	Payables to sporting entities	**Note 14.3**	181,287
Loans to sporting entities		92,233	Sports personnel	**Note 14.3**	70,503
Other financial assets		9,256	Other financial liabilities		1,074
Deferred tax assets	**Note 15.6**	**22,217**	**Deferred tax liabilities**	**Note 15.6**	**608**
Non-current trade receivables	**Note 10.3**	**64,233**	**Non-current accruals**	**Note 16**	**10,673**
Total non-current assets		**956,307**	**Total non-current liabilities**		**539,226**
			CURRENT LIABILITIES		
CURRENT ASSETS			**Current provisions**	**Note 13.2**	**3,234**
Inventory	**Note 11**	**3,484**	**Current payables**	**Note 14.2**	**11,944**
Trade and other receivables	**Note 10.3**	**233,207**	Bonds and other marketable debt securities		1,143
Receivables from season-ticket holders and club members		175	Bank borrowings		10,792
Receivables from group companies	**Note 20.2**	574	Other financial liabilities		9
Accounts receivable from sporting entities		85,915	**Trade and other payables**	**Note 14.3**	**493,634**
Other receivables		73,353	Suppliers		106,271
Sports personnel	**Note 14.3**	67,922	Suppliers, group companies	**Note 20.2**	307
Non-sports personnel		265	Other payables		25,609
Current income tax assets	**Note 15.1**	2,678	Other payables to related parties	**Note 20.2**	3,523
Other receivables from public administrations	**Note 15.1**	2,162	Payables to sporting entities		79,455
Prepayments to suppliers / creditors		163	Sports personnel	**Note 14.3**	160,875
Current financial investments		**2,312**	Non-sports personnel		3,116
Current accruals	**Note 16**	**5,326**	Other payables to public administrations	**Note 15.1**	113,870
Cash and cash equivalents		**158,362**	Customer advances		608
Cash		158,362	**Current accruals**	**Note 16**	**178,353**
Total current assets		**402,691**	**Total current liabilities**		**687,165**
TOTAL ASSETS		**1,358,998**	**TOTAL EQUITY AND LIABILITIES**		**1,358,998**

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated balance sheet at June 30, 2019.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

(Thousands of euros)

	Notes	2018/19
CONTINUING OPERATIONS		
Revenue	**Note 18.1**	**836,730**
Revenue from competitions		113,980
Revenue from season ticket holders and membership card holders		60,884
Revenue from TV broadcasts and TV rights		298,122
Revenue from marketing and advertising		363,331
Revenue from the rendering of services		413
Work performed by the entity and capitalized		**1,374**
Cost of sales		**(33,963)**
Consumption of sports equipment		(29,165)
Other consumables		(4,006)
Impairment of goods for resale, raw materials and other consumables	**Note 11**	(792)
Other operating income	**Note 18.2**	**15,441**
Ancillary income		14,895
Grants related to income		546
Employee benefits expense	**Note 18.3**	**(541,920)**
Wages and salaries of sports personnel		(485,482)
Wages and salaries of non-sports personnel		(41,012)
Social security costs		(14,109)
Provisions		(1,317)
Other operating expenses		**(206,945)**
External services	**Note 18.4**	(129,229)
Taxes		(5,485)
Losses on, impairment of and change in trade provisions	**Note 10.3**	(1,450)
Impairment losses on trade receivables		(1,450)
Away matches		(11,428)
Player acquisition expenses		(2,823)
Other current management expenses		(56,530)
Depreciation and amortization		**(159,869)**
Amortization of player acquisition rights	**Note 5**	(145,528)
Other depreciation and amortization	**Notes 6 & 7**	(14,341)
Grants related to non-financial assets and other grants	**Note 12.2**	**108**
Impairment losses and gains (losses) on disposal of non-current assets		**103,173**
Impairment losses and losses	**Notes 5 & 8**	2,688
Impairment losses on intangible sporting assets		(26,311)
Reversal of impairment losses on intangible sporting assets		28,811
Impairment losses on investment property		(36)
Reversal of impairment losses on investment property		224
Gains (losses) on disposals	**Note 5**	100,485
Losses on property, plant and equipment		(235)
Losses on intangible sporting assets		(210)
Gains on intangible sporting assets		100,930
Charges for the year and utilization of provisions and others	**Note 18.5**	**3,413**
Charge for the year and other		(3,312)
Utilization of provisions and other		6,725
OPERATING PROFIT/(LOSS)		**17,542**
Finance income		**1,478**
From marketable securities and other financial instruments		1,478
-Of third parties		1,478
Finance costs		**(17,018)**
Third-party borrowings		(17,018)
Exchange gains (losses)		**138**
Exchange gains		362
Exchange losses		(224)
Impairment and gains (losses) on disposal of financial instruments	**Note 10.2**	**1,416**
Impairment losses on financial instruments		(24)
Impairment losses on receivables from group companies		(1,225)
Reversal of impairment losses on receivables from group companies		2,665
FINANCE COST		**(13,986)**
PROFIT/(LOSS) BEFORE TAX		**3,556**
Income tax	**Note 15.4**	971
PROFIT/(LOSS) FOR THE YEAR		**4,527**

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated income statement for the year ended June 30, 2019.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

A) CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

(Thousands of euros)

	Notes	2018/19
CONSOLIDATED PROFIT FOR THE PERIOD (I)		**4.527**
Grants, donations and bequests received	**Note 12.2**	(108)
Tax effect	**Note 15.3**	27
TOTAL AMOUNTS TRANSFERRED TO CONSOLIDATED INCOME STATEMENT (II)		**(81)**
TOTAL CONSOLIDATED RECOGNIZED INCOME AND EXPENSE (I+II)		**4,446**

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated statement of all changes in equity for the year ended June 30, 2019.

B) CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY

(Thousands of euros)

	Social Fund	Reserves	Profit/(loss) for the year attributable to the parent company	Prior-year losses	Grants, donations and bequests	Total
Balance at July 1, 2018	**114,902**	**(2,140)**	**12,930**	**(35)**	**2,504**	**128,161**
Appropriation of profit for the year 2017/18	12,930	-	(12,930)	-	-	-
Total consolidated recognized income and expenses	-	-	4,527	-	(81)	4,446
Balance at June 30, 2019	**127,832**	**(2,140)**	**4,527**	**(35)**	**2,423**	**132,607**

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated statement of all changes in equity for the year ended June 30, 2019.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

(Thousands of euros)

	2018/19
CASH FLOWS FROM OPERATING ACTIVITIES (I)	
Profit for the year before tax	**3,556**
Adjustments to profit	
- Depreciation and amortization	159,869
- Impairment losses	(1,862)
- Change in provisions	2,360
- Grants released to income	(108)
- Gains (losses) from derecognition and disposals of non-current assets	(100,485)
- Finance income	(1,478)
- Finance costs	17,018
- Exchange gains (losses)	(138)
- Liabilities accruals recognized in profit or loss, net	(510,843)
- Other income and expenses	(1,281)
Changes in working capital	
- Inventory	(3,255)
- Trade and other receivables	16,819
- Inclusion of assets accruals	(2,887)
- Trade and other payables	8,206
- Other current liabilities	4,649
- Inclusion of liabilities accruals	488,214
- Other non-current assets and liabilities	36,346
Other cash flows from operating activities	
- Interest paid	(14,371)
- Interest received	1,478
- Income tax receipts (payments)	14,322
	116,129
CASH FLOWS FROM INVESTING ACTIVITIES (II)	
Payments on investments	
- Intangible sporting assets	(205,803)
- Intangible non-sporting assets	(7,888)
- Property, plant and equipment	(60,039)
- Group companies and associates	(4,553)
- Other assets	(516)
Proceeds from disposals	
- Intangible sporting assets	75,048
- Property, plant and equipment	545
- Other financial assets	356
	(202,850)
CASH FLOWS FROM FINANCING ACTIVITIES (III)	
Proceeds from and payments of financial liabilities	
- Issue of bank borrowings	55,179
- Issue of bonds and other marketable debt securities	197,385
- Repayment and redemption of bank and other borrowings	(48,126)
	204,438
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	**117,717**
Cash and cash equivalents at July 1	40,645
Cash and cash equivalents at June 30	158,362

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated cash flow statement for the year ended June 30, 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1. Club Activity

Futbol Club Barcelona (hereinafter the Club) is a non-for-profit private association of individuals, with its own legal personality and full capacity, incorporated on November 29, 1899. It is domiciled in Barcelona at Avenida Arístides Maillol, s/n.

The corporate purposes of the Club are, among others, to promote soccer mainly, and sport in general, take part in competitions and foster physical and sporting events for its official members and, where appropriate, the general public.

On October 5, 2013 the Assembly approved the new Bylaws of the Club, which include an article establishing that the Board of Directors shall ensure that the Club's equity is maintained.

The Club is the parent of a group (hereinafter the Group). Pursuant to article 7 of Royal Decree 1159/2010, of September 17, passing the Standards for the Preparation of Consolidated Financial Statements, the Club did not issue consolidated financial statements in prior years as the interest held in subsidiaries was not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group.

The Club has issued consolidated financial statements for the first time in the year ended June 30, 2019 due to the relevance of the subsidiary Barça Licensing & Merchandising, S.L.U., a company that started its activities on July 1, 2018 upon expiry of the exclusive operating agreement signed with the company Fútbol Club Barcelona Merchandising, S.L.U. (a company belonging to the Nike group).

There are other subsidiaries that have not been consolidated in these consolidated financial statements, as they are not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group (Note 10.2).

The information on the subsidiary, which has been accounted for using the full consolidation method, is as follows:

Corporate name	Business address	Country	Ownership %
Barça Licensing & Merchandising, S.L.U.	Avenida Arístides Maillol, s/n 08028, Barcelona	Spain	100%

Barça Licensing & Merchandising, S.L.U. was incorporated on March 23, 2018 and its corporate purpose consists in the retail sale, including promotion, commercialization and distribution, in any form permitted by mercantile practices and uses, of toys, sports items and sports- and non-sportswear under the brands owned by FC Barcelona. The subsidiary is not listed on the stock exchange.

Given the nature of its activities, the Club has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position and results. Consequently, these notes to the consolidated financial statements do not include specific disclosures related to information on environmental issues.

2. Basis of presentation of the consolidated financial statements

2.1. Regulatory framework for financial information applicable to the Group

Ahe accompanying consolidated financial statements have been authorized for issue by the Board of Directors of the Club in accordance with the regulatory framework for financial information applicable to the Group, which is set out in:

a. The Spanish Commercial Code and other mercantile law.

b. The Spanish General Accounting Plan approved by RD 1514/2007 of November 16, and Standards for the Preparation of Consolidated Financial Statements and amendments to the Spanish General Accounting Plan passed by Royal Decree 1159/2010, of September 17, which were modified by Royal Decree 602/2016, of December 2 and its industry adaptations, as well as any standards that do not violate the New General Accounting Plan and are established in the General Accounting Plan adapted to public limited sports companies.

c. Statutory standards approved by the Spanish Accounting and Audit Institute implementing the Spanish General Accounting Plan and associated standards.

d. Other applicable Spanish accounting regulations.

These consolidated financial statements also include the disclosures required by the Regulations on Economic Control for sports clubs and public limited sports companies affiliated to the Spanish Professional Soccer League (LFP by its acronym in Spanish), published in May 2014, as well all the disclosures required by the Spanish National Sports Council (Consejo Superior de Deportes) through a statement issued on February 18, 2015.

2.2. True and fair view

The consolidated financial statements have been prepared from the auxiliary accounting records of the Club and its subsidiary, and include the corresponding consolidation adjustments and eliminations in accordance with prevailing accounting legislation to give a true and fair view of the Group's equity, financial position, and results. The consolidated cash flow statement has been prepared to present fairly the origin and use of the Group's monetary assets such as cash and cash equivalents.

As indicated in Note 1, some subsidiaries have not been consolidated in these consolidated financial statements, as they are not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group (Note 10.2).

2.3. Non-mandatory accounting policies applied

The Club has not applied any non-mandatory accounting policies. Additionally, the Club's Board of Directors has prepared these consolidated financial statements in accordance with all mandatory accounting principles and standards that have a material impact thereon. All mandatory accounting policies have been applied.

2.4. Critical issues concerning the measurement and assessment of uncertainty

The accompanying consolidated financial statements were prepared using estimates made by the Club's Board of Directors to measure the assets, liabilities, income, expenses, and commitments recognized therein. These estimates relate basically to the following:

- The application of the going concern principle (Note 2.5).

- The assessment of possible impairment losses on certain assets (Notes 4.1, 4.2, 4.3, 4.5 and 4.6).

- The useful lives of intangible assets, property, plant and equipment and investment property (Notes 4.1, 4.2 and 4.3).

- The calculation of provisions (Note 4.10).

- The analysis of the recovery of the tax assets recorded in the accompanying consolidated balance sheet based on the future business plan prepared by the Club's Board of Directors.

Although these estimates were made based on the best information available at 2018/19 year-end, events may occur in the future that require prospective adjustments (upwards or downwards) in subsequent years.

2.5. Going concern

The accompanying consolidated balance sheet at June 30, 2019 shows negative working capital amounting to 284,474 thousand euros, which may cast doubt on the application of the going concern principle. However, the Club's Board of Directors has prepared these consolidated financial statements under the going concern principle because of the following mitigating factors:

- The Group includes current accruals in the liabilities side of the balance sheet, which at June 30, 2019 amount to 178,353 thousand euros (Note 16). These accruals do not entail any future financial obligations for the Group since they are included in the consolidated balance sheet as they are invoiced in line with the collection periods established in the agreements, and are recognized as an income on an accrual basis.

- The limit of undrawn credit facilities at June 30, 2019 amounts to 128,883 thousand euros (Note 14.2).

- There is no legal non-compliance issue that prevents the Group from continuing to operate normally given its equity position at June 30, 2019.

- In prior years the Club implemented a management model, the main purpose of which was to restore the equity and financial position. This management model is based on the ongoing increase in revenue and the implementation of a cost control policy.

- The Group's cash-flow projection for the next 12 months shows that it is capable of meeting its payment commitments in the short term.

2.6. Comparison of information

The consolidated financial statements for the year ended June 30, 2019 are the first prepared by the Club. In this regard, July 1, 2018 has been considered to be the Group's date of incorporation and first-time consolidation. Consequently, no comparative information for the prior year is included.

However, for better understanding of the consolidated financial statements, some notes thereto include the balances at July 1, 2018 resulting from the consolidation of the Club and its subsidiary at that date.

2.7. Basis of consolidation

July 1, 2018 is considered to be the date on which Barça Licensing & Merchandising, S.L.U. Was integrated into the Group. This subsidiary was incorporated on March 23, 2018, although it did not start its activities until July 2018 (Note 1). The losses generated from its incorporation to the date of first consolidation (35 thousand euros) were recorded as a decrease in reserves. The subsidiary's assets and liabilities have been incorporated into the consolidated financial statements at their carrying amounts at July 1, 2018.

The subsidiary has been accounted for using the full consolidation method and all significant balances and transactions between consolidated entities have been eliminated on consolidation.

3. Distribution of the Club's profit

The proposed appropriation of the 2018/19 profit amounting to 2,947 thousand euros, which will be submitted for approval by the Club members at the General Assembly, plans to fully allocate profit to the Social Fund.

4. Recognition and measurement standards

The main accounting policies and measurement bases used by the Group in the preparation of the consolidated financial statements for the current year, in accordance with the Spanish General Accounting Plan, were as follows:

4.1. Intangible assets

Intangible sporting assets

The costs necessary for acquiring the players' registration rights from other clubs and the amounts paid of a similar nature are recognized under intangible assets and are amortized on a straight-line basis over the term of the player's first contract, excluding any residual value. Additionally, in the event that a player is renewed, amortization is prospectively reestimated in accordance with the new term of the contract.

The agreements for the acquisition of players' registration rights usually include variable remuneration which depend on the Club's and the player's sporting performance. These variable payments are recorded when the conditions they are subject to are met, and are amortized from the moment they are recognized until the end of the employment contract with in force the player.

In the event that the player is renewed, the amounts that entail higher remuneration, such as signing bonuses and signature bonuses, are classified as employee benefits expense, without prejudice to the fact that since they are pending accrual they shall be recorded according to their nature for the amounts pending accrual over one year in the "Non-current trade receivables" heading, and for the amounts pending accrual within one year in the "Current trade and other receivables - Sports personnel" heading in the consolidated balance sheet. This criterion is also applied in the acquisition of player or coach image rights, which will be recorded in the consolidated income statement according to their nature as the economic benefits associated with the contract flow to the Group. Additionally, in the event of early termination or loan of players the criteria indicated in the above headings shall apply, that is, the income or expense thereof shall be recognized in the consolidated income statement according to their nature.

As for the acquisition of preferential options on a player's registration rights, expenses are initially recorded as an asset provided that there is no reasonable doubt that the pre-emption right can be exercised or that it can be transferred, and it has economic value. Expenses shall be amortized at final acquisition on a straight-line basis over the term of the contract with the Club. Otherwise, the whole amount shall be transferred to profit or loss.

In the event of early termination of contracts, the outstanding cost is fully amortized and, together with the corresponding income, is recorded in the consolidated income statement.

In the event of the loan of players, the cost of the loan is recorded in the consolidated income statement as the proportional portion of the amortization for the term of the loan.

No training costs for junior soccer players is capitalized.

Intangible non-sporting assets

As a general rule, intangible non-sporting assets are initially recognized at acquisition or production cost. After initial recognition, these assets are carried at cost less accumulated amortization and any accumulated impairment. These assets are amortized over their useful lives.

Software includes the costs incurred to acquire and develop computer programs, including website development costs. Expenses for maintenance are taken to the consolidated income statement in the year incurred. Software is amortized on a straight-line basis over 5 years.

Leaseholds are recorded at cost in the assets side of the consolidated balance sheet and correspond to the amount paid for the rights to lease premises, whereby the acquiree assumes the rights and obligations of the transferor, less accumulated amortization and any impairment loss. Leaseholds are amortized on a straight-line basis over the period for which the rights and obligations of the leased asset are acquired.

Impairment of intangible assets, property, plant and equipment and investment property

Whenever an indication of impairment is detected, the Group tests the corresponding assets to determine whether their recoverable amount has fallen below their carrying amount.

The recoverable amount is the higher of an asset's estimated realizable value less costs to sell and value in use.

The value in use of the players is determined considering the whole first team soccer squad as a single cash-generating unit, since the players on their own do not generate independent cash flows, except in the event that they are sold.

As a result of the foregoing, at the end of each reporting period, Club Management arranges for an independent expert to carry out appraisals of most of its assets recorded in the "Investment property" heading in order to verify that the recoverable amounts of these assets are equal or higher than their carrying amounts. These appraisals are made based on the present uses of the assets included in this heading.

In the event that an impairment loss needs to be recorded, the carrying amount of the asset is reduced to the higher of fair value less costs to sell, value in use and zero.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized on the asset in prior years. The reversal of an impairment loss is recognized as income.

4.2. Property, plant, and equipment

Property, plant and equipment items are initially measured at acquisition price or production cost, restated up to 1996 in accordance with prevailing legislation, and are subsequently recorded net of accumulated depreciation and any impairment loss, in accordance with the criterion set forth in Note 4.1 above.

Property, plant and equipment acquired for free up to June 30, 2000 is recognized at their market value at acquisition date in accordance with the corresponding certificates and expert reports.

The cost of assets acquired or produced subsequent to January 1, 2008 with installation periods exceeding one year includes financial expenses accrued prior to putting the assets to use when these expenses meet capitalization requirements.

Expenses for repairs and maintenance of property, plant and equipment items are taken to the consolidated income statement in the year incurred. However, expenses incurred for improvements which increase the capacity or efficiency, or prolong the useful life of the asset are capitalized as an increase in the value of the item.

The Group depreciates its property, plant and equipment using the straight-line method, applying annual depreciation rates that reflect the estimated useful lives of the corresponding assets, which break down as follows:

	Years of estimated useful life
Stadiums, arenas and other constructions	25 to 50
Machinery, facilities and tools	3.3 to 10
Transport equipment	5
Furniture and fixtures	5 to 12.5
Data processing equipment	4 to 5

4.3. Investment property

"Investment property" in the consolidated balance sheet reflects the values of land, buildings and other structures held either to earn rentals or for capital appreciation upon disposal due to future increases in their respective market prices.

These assets are measured according to the criteria indicated in Note 4.2 on property, plant and equipment.

4.4. Leases

Leases are classified as finance leases when the conditions of the lease agreement indicate that substantially all the risks and rewards incidental to ownership of the asset are transferred. All other leases are classified as operating leases.

Operating leases

Income from operating leases where the Group acts as lessor are recorded in the consolidated income statement in the year incurred.

When the Group acts as lessee in an operating lease arrangement, lease expenses are recognized in the consolidated income statement in the year incurred.

Any collection or payment that might be made when arranging an operating lease will be treated as advance collection or payment, allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

4.5. Financial instruments

4.5.1. Financial assets

Classification

The financial assets held by the Group are classified into the following categories:

a. Loans and receivables: financial assets arising on the sale of goods and the rendering of services in the course of the Group's trade operations; and financial assets that are neither equity instruments nor derivatives, not arising on trade transactions, with fixed or determinable payments, and which are not traded in an active market.

b. Equity investments in group companies, jointly controlled entities and associates: group companies are companies related to the Club through relationships of control, and associates are those over which the Club exercises significant influence. Jointly controlled entities are companies that are controlled jointly by one or more venturers in accordance with an agreement. As indicated in Note 1, some subsidiaries have not been consolidated in these consolidated financial statements, as they are not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group (Note 10.2).

Initial measurement

Financial assets are initially measured at the fair value of the consideration given plus directly attributable transaction costs.

In the case of equity investments in group companies that give control over the subsidiary, the fees paid to legal advisors and other professionals in connection with the acquisition have been recognized directly in the income statement since January 1, 2010.

Subsequent measurement

Loans and receivables are subsequently measured at amortized cost.

Equity investments in group companies, jointly controlled entities and associates are subsequently measured at cost less any accumulated impairment. Impairment loss is calculated as the difference between the carrying amount and recoverable amount, which is deemed to be the higher of fair value less costs to sell and the present value of future cash flows from the investment. Unless better evidence is available, the recoverable amount is estimated taking into account the equity of the investee, adjusted by any unrealized capital gains existing on the measurement date, including any goodwill.

At least at each reporting period, financial assets not measured at fair value are tested for impairment. Objective evidence of impairment exists if the recoverable value of a financial asset is less than its carrying amount. Any impairment losses are recognized in the consolidated income statement.

Specifically, the criteria used by the Group for calculating any impairment losses on trade and other receivables is to monitor receivable balances individually at year end.

The Group derecognizes financial assets when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership of the asset have been transferred.

However, when financial assets are transferred but related risks and rewards incidental to ownership are retained, the Group does not derecognize them. Instead, it recognizes a financial liability at an amount equal to the consideration received.

4.5.2. Financial liabilities

Financial liabilities include trade and other payables arising on the purchase of goods or services in the Group's trade operations, or those which, while not having commercial substance, cannot be considered as derivative financial instruments.

Trade and other payables are initially measured at the fair value of the consideration received, adjusted by directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortized cost.

The Group derecognizes financial liabilities when the obligations are extinguished.

4.6. Inventory

Inventory is valued at acquisition price. Costs of purchase include the invoice price after deducting any trade discounts, rebates and other similar items, plus all other costs incurred until the goods are available for sale, such as transport, insurance, and others directly attributable to the acquisition of inventory items.

Given that the Group’s inventory is available for sale in less than one year, finance costs are not included in the acquisition cost.

The Group measures inventory at weighted average cost.

When the net realizable value of inventory is less than acquisition cost, the corresponding impairment provision is recognized in the consolidated income statement.

4.7. Foreign currency transactions

The Group's functional currency is the euro. Therefore, transactions in other currencies are considered to be denominated in foreign currency and are recognized at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognized directly in the consolidated income statement in the year in which they arise.

4.8. Income tax

As from the fiscal year starting July 1, 2018 the Club and the subsidiary Barça Licensing & Merchandising, S.L.U. file a consolidated income tax return, and the Club is the parent of tax group no. 568/18. On June 26, 2018 the Club informed the tax authorities of the formation of said tax group.

Income tax payable or receivable includes the amount related to the expense or income from current and deferred tax.

The current income tax is the amount that the Group pays as a result of the tax returns it files each year for corporate income tax purposes. Deductions and other tax relief applicable to payable taxes, excluding withholdings and payments on account, and tax loss carryforwards applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and unused tax credits. These amounts are measured by applying to the relevant temporary difference or tax credit the tax rate at which they are expected to be realized or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affect neither accounting profit nor taxable profit.

Deferred tax assets are only recognized to the extent that it is considered probable that the Group will have future taxable income to enable their application.

Deferred tax assets and liabilities relating to items recognized directly in equity are recognized in equity.

Recognized deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made where there are doubts as to their future recoverability. Similarly, at each reporting date, the Club reassesses unrecognized deferred tax assets, recognizing a previously unrecognized deferred tax asset to the extent that it has become probable that taxable profit will be available against which the asset can be utilized.

4.9. Income and expenses

Revenue and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, less discounts and taxes.

Revenue from the sale of goods is recognized when the Club has transferred to the buyer the significant risks and rewards of ownership of the goods sold, and retains neither continuing managerial involvement nor effective control over the goods sold.

Revenue from the rendering of services is recognized based on the stage of completion of the transaction at the end of the reporting period to the extent that the outcome of the transaction can be estimated reliably.

Interest received on financial assets is recognized using the effective interest rate method. In any event, interest accrued after acquisition is recognized as income in the consolidated income statement.

4.10. Provisions and contingencies

In preparing the consolidated financial statements, the Board of Directors of the Club made a distinction between:

1. Provisions: credit balances covering present obligations arising from past events, the settlement of which is likely to cause an outflow of resources, but which are uncertain as to their amount and/or timing.

2. Contingent liabilities: possible obligations arising from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements recognize all provisions for which it is considered more likely than not that the corresponding obligation will have to be settled. Contingent liabilities are not recognized in the consolidated financial statements, but they are disclosed in the accompanying notes, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it, taking into account the information available on the event and its consequences. Adjustments arising from the discounting of the provision are recognized as an expense when accrued.

The Club's Board of Directors is responsible for estimating and quantifying the risks related to potential provisions to be recorded and contingent liabilities to be disclosed in the notes to the consolidated financial statements. It estimates and quantifies these risks based, among others, on the valuation made by its lawyers and other advisors.

4.11. Termination benefits for dismissal, end of contract and other

In accordance with prevailing legislation, the Group is required to pay indemnities to employees whose contracts are terminated under certain circumstances. Reasonably quantifiable termination benefits for dismissals are therefore recognized as an expense in the year in which the decision to terminate employment is made and a valid expectation with respect to third parties regarding the termination has been created. The Group has not recognized any significant provision for this concept in the accompanying consolidated financial statements.

The Club has signed contracts with players that include the payment of bonuses for contract termination under certain conditions. These bonuses are measured on a straight-line basis as an expense over the term of the contract.

Additionally, there are commitments to certain players that are linked to their performance and other external factors, which are recorded when achieved.

4.12. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Group's operations whose main purpose is to minimize environmental impact and protect and restore the environment, including the reduction or elimination of future pollution. The Group's activities, by their very nature, do not have a significant impact on the environment.

4.13. Pension commitments

The Group recognizes pension commitment costs or retirement bonuses are recognized on an accrual basis.

The cost of the commitments to retired personnel, which consist of a supplement to Social Security pensions, and the cost of retirement bonuses are externalized through a defined benefit insurance policy.

Pension commitments to active personnel are part of a pension scheme of defined contributions to Banc Sabadell 8 Pension Fund. The contributions to the Pension Fund during 2018/19 amount to 1,317 thousand euros. These contributions are recorded in the consolidated income statement under "Employee benefits expense".

4.14. Criteria used for the recognition and measurement of employee benefits expense

Pursuant to the standards on the preparation of the budgets for the Clubs and public limited sports companies by the Spanish Professional Soccer League, employee benefits expense shall be presented in accordance with the following measurement criteria:

Non-sporting and structure employee benefits expenses

This heading includes the following categories:

- Technical non-sports personnel: Sport manager, technical secretary, representative, physiotherapist, equipment managers.

- Other non-sports personnel: other employees bound to the Group under an employment contract including administrative personnel, security and access staff, marketing, communication, maintenance and other personnel.

Sporting employee benefits expense

For the purposes of these consolidated financial statements, the squad expenses include all types of remuneration (wage, salary, compensation, remuneration in kind, etc.), as well as the social security contributions paid by the company, collective bonuses and others. In the case of players received or given on loan, all income and expense thereof are included.

The following distinction shall be made:

- Expenses for squad that can be registered with the Spanish Professional Soccer League:

  The squad that can be registered with the Spanish Professional Soccer League consists of the players bound to the Club under an employment contract allocated to the first team, that is, numbers 1 to 25 inclusive, and the players who are not allocated to the squad, as well as the coach, assistant coach and fitness coach.

- Expenses for squad that cannot be registered with the Spanish Professional Soccer League:

  The squad that cannot be registered with the Spanish Professional Soccer League consists of the players bound to the Club under an employment contract or any other type of contract allocated to the other teams and dependent on any category; coaches, assistant coaches and fitness coaches of the corresponding teams.

4.15. Grants, donations and bequests

The Group uses the following criteria for the recognition of grants, donations and bequests received:

1. Non-refundable grants, donations and bequests: Measured at the fair value of the amount or asset received depending on whether they are monetary or non-monetary grants, donations and bequests, and allocated to profit in proportion with the amortization or depreciation charges for those assets, or when the assets are disposed of or impaired, except for those received from partners or owners, which are recognized directly in equity and are not considered income.

2. Grants related to income: taken to profit and loss when awarded, unless they are earmarked to finance operating losses for a future period, in which case they are recognized in those periods. Those awarded to finance specific expenses are recognized as the financed expenses are accrued.

4.16. Current and non-current accruals

The amounts received pending recognition as income in the consolidated income statement, mainly related to TV and sponsorship contracts and membership fees, are recorded under the "Non-current accruals" and "Current accruals" headings based on their allocation to profit or loss. These amounts, which do not entail any future financial obligations, are recognized as an income only in the corresponding years (accruals principle).

4.17. Current / Non-current classification

Current assets comprise assets associated with the normal operating cycle, which generally is considered to be one year, as well as those expected to mature, or to be sold or realized in the short term as from the reporting date, financial assets held for trading, except financial derivatives that will be settled in more than one year, and cash and cash equivalents. All other assets are classified as non-current.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities classified as held for trading, except financial derivatives that will be settled in more than one year, and, in general, all liabilities expected to fall due or to be extinguished in the short term. All other liabilities are classified as non-current.

4.18. Related-party transactions

The Group conducts all related-party transactions on an arm's length basis. In addition, transfer prices are adequately supported, so the Club's Board of Directors considers that there are no material risks in this connection that could give rise to significant liabilities in the future.

5. Intangible sporting assets

This heading includes the player acquisition rights and other similar concepts. The movements in this heading of the consolidated balance sheet during the 2018/19 season are as follows:

	Thousands of euros			
	Balance at 07/01/2018	Additions and charges	Derecognitions, dis-posals and decreases	Balance at 06/30/2019
Cost:				
Soccer	687,907	322,430	(211,879)	798,458
Basketball	3,500	1,120	(150)	4,470
Handball	1,920	110	(50)	1,980
Roller Hockey and other sports	555	76	(121)	510
Advances	5,866	400	(5,316)	950
Total cost	**699,748**	**324,136**	**(217,516)**	**806,368**
Accumulated amortization:				
Soccer	(243,437)	(143,801)	113,071	(274,167)
Basketball	(1,574)	(1,280)	120	(2,734)
Handball	(875)	(358)	25	(1,208)
Roller Hockey and other sports	(482)	(89)	107	(464)
Total accumulated amortization	**(246,368)**	**(145,528)**	**113,323**	**(278,573)**
Impairment:				
Soccer	(2,500)	(26,311)	28,811	-
Total impairment	**(2,500)**	**(26,311)**	**28,811**	**-**
Total net amount	**450,880**	**152,297**	**(75,382)**	**527,795**

Player acquisition rights are considered as an expense in future seasons, net of the effect of impairment provisions, in accordance with the following estimate:

	Thousands of euros
	06/30/2019
Season:	
2019/2020	149,411
2020/2021	138,976
2021/2022	130,720
2022/2023 and subsequent	108,688
Total	**527,795**

The most significant additions for the year correspond to the acquisition of players' registration rights amounting to 265,855 thousand euros.

At June 30, 2019 there are contingent liabilities derived from the agreements reached with other clubs for the acquisition of the registration rights of players belonging to the first team, which are subject to the fulfillment of several conditions. The probability of occurrence depends on uncertain future events, with a maximum payable amount of 62 million euros based on the contractual agreements applicable at June 30, 2019. Additionally, there are agreements with clubs over which the Club has contingent accounts receivable related to players that have been sold or loaned for a maximum amount of 19 million euros.

Additionally, the Club retains pre-emption rights over certain players amounting to 950 thousand euros. The Board of Directors and sport management of the Club consider that there is no indication that these pre-emption rights may be impaired.

Disposals for the current year mainly correspond to the sale of players, which have generated profit of 98,526 thousand euros, re-corded in the "Gains/(losses) on disposals" heading in the accompanying consolidated income statement. Additionally, during the current year, employment contracts with several players have been terminated, resulting in a loss of 210 thousand euros.

Also, the "Gains/(losses) on disposals" heading in the accompanying consolidated income statement includes other profit amounting to 2,404 thousand euros, mainly generated as a result of collections of variable amounts for the sporting performance agreed in the agreements for the sale of registration rights and for the sale of players who belonged to the Club in prior years.

Subsequent to June 30, 2019 and prior to the authorization of the consolidated financial statements for issue, the Club has paid the escape clause amounting to 120 million euros in one player's employment contract.

The Club's Board of Directors is not aware of any situations that require the recognition of significant impairment losses at June 30, 2019 other than those recorded in the accompanying consolidated financial statements.

The average term of the employment contracts with the squad that can be registered with the Spanish Professional Soccer League is 5 years.

At June 30, 2019, fully amortized intangible sporting assets amount to 2,895 thousand euros.

The players are hired under an employment contract drawn up in conformity with Royal Decree 1006/1985 of June 26, regulating the special employment relationship of sports professionals, under the general scheme.

Income from the loan and training of players recorded under the "Other operating income" heading in the consolidated income statement during the year 2018/19 amounts to 12,690 thousand euros (Note 18.2).

6. Intangible non-sporting assets

The movements in this heading of the consolidated balance sheet during the 2018/19 season are as follows:

	Thousands of euros		
	Balance at 07/01/2018	**Additions and Charge for the year**	**Balance at 06/30/2019**
Cost:			
Software	27,705	6,330	34,035
Development	-	508	508
Leaseholds	-	894	894
Intangible assets in progress	16	156	172
Total cost	**27,721**	**7,888**	**35,609**
Accumulated amortization:			
Software	(16,915)	(3,961)	(20,876)
Development	-	(43)	(43)
Leaseholds	-	(67)	(67)
Total accumulated amortization	**(16,915)**	**(4,071)**	**(20,986)**
Total net amount	**10,806**	**3,817**	**14,623**

Additions for the year 2018/19 mainly correspond to the leasehold on the Paseo de Gracia store managed by the subsidiary Barça Licensing & Merchandising, S.L.U., the development of the new website, the new sports video recording system, improvements to the COR project and new software licenses.

At June 30, 2019, fully amortized intangible non-sporting assets amount to 12,242 thousand euros.

7. Property, plant, and equipment

The movements in this heading of the consolidated balance sheet during the 2018/19 season are as follows:

	Thousands of euros				
	Balances at 07/01/2018	Additions and charges	Derecognitions, disposals and decreases	Transfers	Balances at 06/30/2019
Cost:					
Stadiums and arenas	170,086	3,629	-	(336)	173,379
Other land and buildings	51,.520	29	-	-	51,549
Plant and other PP&E items	48,741	2,295	-	125	51,161
Property, plant, and equipment under construction and prepayments	34,239	54,086	(780)	211	87,756
Total cost	**304,586**	**60,039**	**(780)**	**-**	**363,845**
Depreciation:					
Stadiums and arenas	(99,850)	(5,626)	-	-	(105,476)
Other land and buildings	(13,765)	(959)	-	-	(14,724)
Plant and other property, plant, and equipment	(34,399)	(3,685)	-	-	(38,084)
Total accumulated depreciation	**(148,014)**	**(10,270)**	**-**	**-**	**(158,284)**
Total net amount	**156,572**	**49,769**	**(780)**	**-**	**205,561**

The most significant additions for the season 2018/19 mainly correspond to the works on Espai Barça, furniture and fixtures of Paseo de Gracia store, renovation of fields no. 2 and 3 of Ciutat Esportiva, renovation of the artificial turf on fields no. 8 and 9 of Ciutat Esportiva, improvements in the handball arena and works on Johan Cruyff Stadium. During the year 2018/19, financial expenses amounting to 2,367 thousand euros have been capitalized.

On April 5, 2015 the proposal for Espai Barça was approved by referendum, commissioning the Board of Directors with the execution of the project for the new Camp Nou, the new Palau Blaugrana and the new Espai Barça. During the year 2018/19 the Club has taken out a loan from a financial institution for a maximum amount of 90 million euros to meet payments related to this project (Note 14.1). At June 30, 2019 accumulated costs incurred for Espai Barça amount to 80,161 thousand euros.

During the season 2018/19 the Group has derecognized several assets, the net carrying amount of which is 780 thousand euros, and has recorded a loss of 235 thousand euros in the consolidated income statement.

The separate cost value of the buildings and land located in the properties owned by the Group at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Land	22,289
Buildings	202,639
Total	**224,928**

Within the project for adapting the sports grounds and facilities to the safety measures established in the Violence Prevention Regulations, in prior years the Club obtained free property, plant and equipment items from the Spanish Professional Soccer League for an amount of 11,081 thousand euros. These items, which are included in the "Stadiums and arenas" line, are presented at the value resulting from the works certification issued by the Spanish Professional Soccer League with a balancing entry in the "Capital grants" heading (Note 12.2).

It is Group policy to take out the insurance policies necessary to cover the potential risks to which the various items of property, plant, and equipment are exposed. The Club's Board of Directors considers that the significant risks are appropriately hedged.

At June 30, 2019, fully depreciated property, plant and equipment items amount to 63,354 thousand euros.

8. Investment property

The movements in this heading of the consolidated balance sheet during the 2019/18 season are as follows:

	Thousands of euros		
	Balance at 07/01/2018	Additions and reversal of impairment	Balance at 06/30/2019
Cost:			
Land in L'Hospitalet de Llobregat (Can Rigalt)	37,236	-	37,236
Land in Viladecans	18,744	-	18,744
Other land	682	-	682
Total cost	**56,662**	**-**	**56,662**
Impairment:			
Land in Viladecans	(15,578)	(36)	(15,614)
Land in L'Hospitalet de Llobregat (Can Rigalt)	(27,656)	224	(27,432)
Total impairment	**(43,234)**	**188**	**(43,046)**
Total net amount	**13,428**	**188**	**13,616**

The Group's investment property corresponds to the plots of land from which future profit of any nature or gains from their sale are expected. The consolidated income statement for the current year shows no income from these plots of land.

Can Rigalt

The Club owns 4 plots of land located in Hospitalet de Llobregat (Barcelona) of an approximate area of 30,783, 23,676, 3,578 and 2,533 square meters, respectively. The two first plots are assigned to the "Modification of the PGM Sector of Can Rigalt Municipal Area to the North of Avinguda Collblanc in Pubilla Casas district".

At June 30, 2019 the Club's Board of Directors has arranged an update of the appraisal of the plots of land to an independent expert. The appraisal revealed that an impairment reversal had to be recorded for an amount of 224 thousand euros.

Viladecans

In the season 2007/08, the Club acquired some plots of land in Viladecans (Barcelona), of an area of 278,544 square meters, for an amount of 18,744 thousand euros.

At June 30, 2019 the Club's Board of Directors has arranged an update of the appraisal of the plots of land to an independent expert. The appraisal revealed that an impairment had to be recorded for an amount of 36 thousand euros.

9. Leases

9.1. Operating leases in which the Group acts as a lessor

As a lessor, the Group records revenue from the occasional lease of the Club's facilities for third-party events, such as concerts and other events. The amounts received for such events vary based on the negotiations with the organizers. At year end the Group has no significant non-cancelable minimum lease payments with the lessees.

9.2. Operating leases in which the Group acts as a lessee

The Group leases several premises, facilities and equipment in order to carry out activities related to its normal course of business. The Group has no significant non-cancelable minimum lease payments with the lessors. Additionally, the expenses from operating leases for the year are not significant.

10. Financial assets

10.1. Non-current financial investments

The breakdown of "Non-current financial investments" at June 30, 2019 is as follows:

	Thousands of euros		
	30/06/2019		
	Loans to third parties	Other financial assets	Total
Loans to sporting entities	92,233	-	92,233
Other financial assets	-	9,256	9,256
Total	**92,233**	**9,256**	**101,489**

Loans to sporting entities

The "Loans to sporting entities" heading at June 30, 2019 mainly includes the accounts receivable from sporting entities for the sale or loan of players. The breakdown thereof is as follows:

	Thousands of euros
	06/30/2019
Borussia Dortmund (Francisco Alcácer)	11,009
C.D. Leganés (José Arnaiz)	1,667
Everton, F.C (Lucas Digne)	3,341
Everton, F.C (Yerry Mina)	9,736
Everton, F.C (André Gomes)	14,340
C.A. Osasuna (Marc Cardona)	1,000
Valencia C.F. (Jasper Cillessen)	28,500
R.C. Celta de Vigo C.F. (Denis Suárez)	9,675
U.S. Sassuolo Calcio (Marlon Da Silva)	6,000
Santos, F.C (Gabriel Barbosa)	2,900
Real Betis Balompié (Marc Bartra)	151
Watford, F.C. (Gerard Deulofeu)	3,914
Total	**92,233**

The breakdown by maturity of the items comprising "Non-current loans to sporting entities" at June 30, 2019 is as follows:

	Thousands of euros		
	2020/21	2021/22 and subsequent seasons	Total
Non-current loans to sporting entities	48,323	43,910	92,233
Total	**48,323**	**43,910**	**92,233**

Other financial assets

The other financial assets mainly correspond to a loan granted on October 26, 2016 amounting to 12,000 thousand euros, with a repayment period of 6 years and quarterly repayments of 500 thousand euros. The interest rate is 3%. At June 30, 2019 2,000 thousand euros have been repaid and the total interest recognized in the consolidated income statement amounts to 243 thousand euros.

10.2. Group companies, joint ventures and associates

The breakdown of this heading at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Equity instruments	**3,670**
Loans to companies (Note 20.2)	**3,103**
Nominal value	8,724
Impairment losses	(5,621)
Total	**6,773**

At June 30, 2019 the "Equity instruments" heading includes the ownership interest in the companies FCBarcelona HK Limited and FCB North America LLC, which are not included in the scope of consolidation as said interest is not material, individually or in the aggregate, to the true and fair view of the equity, financial positions or results of the Group.

The most significant disclosures related to equity instruments corresponding to group companies, joint ventures and associates are as follows:

Name / Address	% Ownership		Thousands of euros							
	Direct	Indirect	Share Capital	Profit/(loss)		Other equity	Total equity	Book value	
				Operating	Net			Cost	Impairment losses
FCBarcelona HK Limited (Hong Kong) (*)	100%	-	3,670	110	64	(2,686)	1,046	3,670	-
FCB North America LLC (USA) (*)	100%	-	0.09	(1,265)	(1,351)	(4,120)	(5,471)	0.09	-
Haikou Barça Missions Hills (China) (*)	-	50%	3,660	(453)	(633)	-	3,027	-	-
Total								**3,670**	**-**

(*) Unaudited amounts translated at historical exchange rate.

The operating profit (loss) of the companies shown in the above table correspond entirely to continuing operations.

The ownership interest held in FCBarcelona HK Limited has not been impaired as according to the business plan for the coming years it is expected that the company will generate positive cash flows.

At June 30, 2019 the "Loans to companies" heading includes contributions made to the group companies FCBarcelona HK Limited and FCB North America LLC for an amount of 3,088 and 5,636 thousand euros, respectively, so that they can meet their cash needs. The loans to FCB North America LLC have been impaired by 5,621 thousand euros.

Based on the information available at the date these consolidated financial statements were authorized for issue, the Club has decided to record an impairment loss on the receivables from the subsidiary FCB North America LLC for an amount of 1,225 thousand euros, and a reversal of the impairment of the receivables from FCBarcelona HK Limited for an amount of 2,665 thousand euros recorded under the "Impairment losses and gains (losses) on disposal of financial instruments" heading in the accompanying consolidated income statement. The reversal of the impairment loss on the receivables from FCBarcelona HK Limited is based on the business plan for this company for the coming years.

Pursuant to Additional provision eighteen of the General Tax Law 58/2003 of December 17 in relation to the obligation to inform about the goods and rights located abroad, the Group informs that Group employees, who are residents in Spain for tax purposes, are authorized to operate with bank accounts located abroad, the holders of which are foreign subsidiaries.

These accounts are summarized as follows:

Account Number	Account type	Opening year	Bank	Country	Subsidiary holder
2	Current account	2016	Citibank	United States	FCB North America LLC
1	Current account	2013	HSBC	Hong Kong	FC Barcelona HK Limited
2	Save account	2013	HSBC	Hong Kong	FC Barcelona HK Limited
1	Time deposit	2013	HSBC	Hong Kong	FC Barcelona HK Limited

10.3. Trade and other receivables

The breakdown of this heading at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Non-current trade receivables (Note 14.3)	**64,233**
Receivables from season-ticket holders and club members	175
Receivables from group companies (Note 20.2)	574
Accounts receivable from sporting entities	85,915
Other receivables	73,353
Sports personnel (Note 14.3)	67,922
Non-sports personnel	265
Prepayments to suppliers / creditors	163
Current income tax assets (Note 15.1)	2,678
Other receivables from Public Administrations (Note 15.1)	2,162
Current trade receivables	**233,207**
Total	**297,440**

Accounts receivable from sporting entities

At June 30, 2019 the "Accounts receivable from sporting entities" line includes accounts receivable from sporting entities for the sale or loan of players and other receivables in accordance with the following breakdown:

	Thousands of euros
	30/06/2019
Accounts receivable from Spanish Professional Soccer League	**7,540**
Accounts receivable from sporting entities as a result of the sale or loan of players and other:	
Soccer	
Real Betis Balompié (Marc Bartra)	182
Girona F.C. (Marc Muniesa)	97
Watford Football Club (Gerard Deulofeu)	4,416
Sevilla F.C. (Manuel Agudo)	22
Sevilla F.C. (Aleix Vidal)	3,000
Borussia Dortmund (Francisco Alcácer)	11,009
Everton F.C. (Yerry Mina)	9,750
Everton F.C. (Lucas Digne)	6,683
Everton F.C. (André Gomes)	9,560
C.D. Leganés (José Arnaiz)	1,667
U.S. Sassuolo Calcio (Marlon Da Silva)	3,000
C.A. Boston River (Ronald Araújo)	2,500
C.A. Osasuna (Marc Cardona)	2,025
Valencia C.F. (Jasper Cillessen)	13,850
R.C. Celta de Vigo (Denis Suárez)	5,934
Juventus F.C. (Pablo Moreno)	500
R.C. Deportivo A Coruña (Adrián Ortolà)	309
U.D. Las Palmas (Iñigo Ruiz de Galarreta)	200
A.S. Mónaco F.C. (Keita Balde)	113
F.C. Internazionale de Milano (Keita Balde)	6
	74,823
Other sports	482
Total accounts receivable from sporting entities	**75,305**
Other federations and associations	**3,070**
Total	**85,915**

249

Other receivables

The breakdown of this heading at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Exclusivity contracts and sponsors	46,649
Accounts receivable for TV broadcasts and sports shows	7,540
Others	19,164
Total	**73,353**

The "Others" heading includes 11,630 thousand euros corresponding to receivable balances from the subsidiary Barça Licensing & Merchandising, S.L.U.

The impairment losses recorded at June 30, 2019 in the "Other receivables" heading in the accompanying consolidated balance sheet amount to 5,885 thousand euros. The accompanying consolidated income statement for the current year includes impairment expenses amounting to 1,450 thousand euros.

10.4. Information on the nature and extent of risks arising from financial instruments

The Group centralizes financial risk management in the Finance Department and Board of Directors of the Club, which have the necessary mechanisms in place to control exposure to fluctuations in interest and exchange rates, as well as to credit and liquidity risk. The main financial risks to which the Group is exposed are outlined below:

1. Credit risk

   In general, the Group holds its cash and cash equivalents at financial entities with high credit ratings. The Group performs an individual analysis of its accounts receivable, thus reducing credit risk.

2. Liquidity risk

   In order to guarantee liquidity and meet all payment commitments arising from its activities, the Group has available the cash and cash equivalents shown in the consolidated balance sheet, as well as the financing and credit lines described in Note 14.

3. Market risk (includes interest rate risk and foreign currency risk)

   The Group's cash balances and financial borrowings expose it to interest rate risk, which could have an adverse impact on its earnings performance and cash flows. The Club's Board of Directors estimates that the aforementioned risk should not have a significant impact on the accompanying consolidated financial statements.

   Foreign currency transactions are exposed to foreign currency risk. The value of monetary liabilities has been adjusted by applying the exchange rate prevailing at June 30, 2019 and the gains or losses from this measurement have been recorded in the "Exchange gains (losses)" heading in the consolidated income statement.

11. Inventory

Inventory corresponds to the products commercialized by the subsidiary Barça Licensing & Merchandising, S.L.U.

The movements in "Impairment losses" are as follows:

	Thousands of euros
	06/30/2019
Opening balance	-
Impairment losses	792
Closing balance	**792**

Impairment losses mainly correspond to the adjustment of the value of inventory to their net realizable value.

The Group has taken out insurance policies to recover the net carrying amount of inventory.

12. Equity

At June 30, 2019 the Club's social fund amounts to 127,832 thousand euros.

12.1. Equity for the purposes of the Sports Law

The Sports Law of October 15, 1990 establishes that the clubs that take part in professional sports competitions shall become public limited sports companies. As an exception to this rule, the clubs taking part in official professional soccer competitions that in accordance with the audits performed by the LFP had obtained a net equity balance since the year 1985/86 can retain their legal structure. Futbol Club Barcelona meets this condition. In this case, the aforementioned Law requires the Club's Board of Directors to provide a bank guarantee for 15% of its expense budget.

In accordance with the regulations established in Royal Decree 1251/1999 of July 16, the Club's current Board of Directors is not obliged to provide the aforementioned bank guarantee since the accumulated profit obtained during its management exceeds 15% of the expense budget for the current season.

12.2. Grants

The information on the grants received by the Group that form part of consolidated equity and the amounts taken to the consolidated income statement in this connection are as follows:

		Thousands of euros (*)			
Entity	**Nature**	**07/01/2018**	**Transfer to profit or loss**	**Tax effect (Note 15.3)**	**06/30/2019**
Generalitat de Catalunya (Regional government of Catalonia)	Public	112	(6)	1	107
"Spanish Professional Soccer League" (Note 7)	Private	1,794	(102)	26	1,718
Works of art	Private	598	-	-	598
	Total	**2,504**	**(108)**	**27**	**2,423**

(*) Net of tax effect.

At June 30, 2019 the Group had met all the requirements for receiving the above-listed grants.

13. Provisions i contingències

13.1. Non-current provisions

The breakdown of the non-current provisions recorded in the consolidated balance sheet at June 30, 2019 and the main movements during the year are as follows:

	Thousands of euros			
Non-current provisions	**07/01/2018**	**Charge for the year**	**Transfers**	**06/30/2019**
Provision for taxes (Note 15.7)	14,295	-	-	14,295
Provisions for other liabilities	1,913	-	-	1,913
Total	**16,208**	**-**	**-**	**16,208**

13.2. Current provisions

The breakdown of this heading at June 30, 2019 is as follows:

	Thousands of euros					
Current provisions	**07/01/2018**	**Charge for the year**	**Utilized**	**Cancellation**	**Transfers**	**06/30/2019**
Provision for taxes (Note 15.7)	874	3,234	(656)	(218)	-	3,234
Total	**874**	**3,234**	**(656)**	**(218)**	**-**	**3,234**

The balance of this heading in the consolidated balance sheet at June 30, 2019 consists of a provision for future tax liabilities.

The members of the Club's Board of Directors and its advisors consider that no significant additional risks other than those recorded in these consolidated financial statements will arise.

13.3. Contingencies

The breakdown of the Group's main contingencies at June 30, 2019 is as follows:

- During 2015 criminal pre-trial proceedings commenced at Central Court of Instruction nº 5 of the Spanish National High Court as a result of the lawsuit filed by DIS-Esportes y Organizaçao de Eventos LTDA against the Club and other members. The lawsuit was based on alleged crimes as a result of contractual simulation in the contracts entered into by the Club when signing Neymar da Silva Santos Jr. In the Order dated July 8, 2016 the Central Court of Instruction nº 5 of the Spanish National High Court dismissed the case provisionally without prejudice. Subsequently, on September 23, 2016 the Criminal Division of the National High Court decided to continue with the proceedings. Finally, on November 3, 2016 the Central Court of Instruction nº 5 issued an order to start an oral trial against the Club and other individuals for two crimes of corruption between individuals and fraud. The Club's Board of Directors and legal advisors consider that the risk derived from the future trial is low. Consequently, the Group has not recorded any provision for this matter at current year end.

- On October 2, 2013 the company MCM Publicidad, S.L. filed a lawsuit against the Club exercising civil action for contract termination and claiming damages of 99 million euros for the alleged breach of the contract granting MCM Publicidad, S.L. the commercial operation rights -by means of publicity inserts- over the facades of the Masia, at the Ciutat Esportiva in Sant Joan Despí (Barcelona). On January 8, 2014 the Club requested the dismissal of the lawsuit since it considered that no breach of contract had occurred. The trial took place in March 2015 and in May 2015 the ruling was issued fully dismissing MCM's lawsuit. On June 12, 2015 the Club was notified that the plaintiff had lodged an appeal to the Provincial Court, and the Club submitted the corresponding statement of defense. On June 30, 2017 the Provincial Court of Barcelona fully dismissed MCM's appeal. On October 30, 2017 MCM lodged a further appeal against this ruling on the grounds of breach of procedural law. On December 19, 2017 the Club rejected the appeal. The proceedings are pending to be accepted by the Spanish Supreme Court. The Club's Board of Directors and legal advisors consider that, in the event that a further appeal was lodged against the aforementioned ruling, the risk that it is modified is remote.

- In November 2009 the European Commission received a claim stating that four Spanish soccer clubs (Real Madrid CF, Athletic Club Bilbao, Club Atlético Osasuna and FC Barcelona) may have been receiving a preferential treatment regarding the income tax over public limited sports companies.

  In 2016, the European Commission declared that Spain had unlawfully provided aid in the form of a tax break to the four soccer clubs mentioned above. According to the European Commission, this regime was not compatible with the internal market and, consequently, Spain was required to immediately withdraw the aid and recover from the beneficiaries the aid amount granted. Futbol Club Barcelona and Athletic Club appealed against the European Commission's decision to the General Court of the European Union. On February 26, 2019 the General Court of the European Union issued its judgment on T-865/16 Club v Commission annulling the European Commission's decision. Consequently, the appeal lodged by the Club has been upheld.

  The General Court's judgment can be appealed against to the Court of Justice, on points of law only, within a period of two months. The Club's Board of Directors and legal advisors consider that the risk of a negative ruling on a potential appeal is low and, therefore, the Group has not recorded any provision for this matter.

- On August 11, 2017 the Club sued former FC Barcelona player Neymar Jr at Social Court of Barcelona no.15 for breach of contract. In turn, former FC Barcelona player Neymar Jr also sued the Club at Social Court of Barcelona no.32. The purpose of the lawsuit was to claim an amount of money based on section 4.1.1 of the contract signed between the Club and the player on July 1, 2016. The Club's Board of Directors and advisors consider that the risk arising from the future trial is low, since the Club has claimed the entire bonus signed by the player and the player has claimed the portion of the unpaid bonus and, therefore, the Club's position regarding the need to determine the obligation to pay the proportional amount of the bonus corresponding to the seasons during which the defendant/plaintiff played for the Club is considered to be the most plausible solution to be ruled by the Court, thus resulting in a favorable balance for the Club.

14. Financial liabilities

The breakdown of this heading at June 30, 2019 is as follows:

Categories	Thousands of euros 06/30/2019 Bank borrowings	Bonds and other marketable debt securities	Payables to sports personnel	Others	Total
Debits and items payable:					
Non-current payables	61,488	197,385	70,503	182,361	511,737
Non-current	**61,488**	**197,385**	**70,503**	**182,361**	**511,737**
Debits and items payable:					
Current payables	10,792	1,143	-	9	11,944
Trade and other payables	-	-	160,875	332,759	493,634
Current	**10,792**	**1,143**	**160,875**	**332,768**	**505,578**
Total financial instruments	**72,280**	**198,528**	**231,378**	**515,129**	**1,017,315**

14.1. Non-current payables

The breakdown by maturity of the items composing "Non-current payables" is as follows:

	Thousands of euros Non-current 2020/21	2021/22	2022/23	2023/24 and subsequent	Total
Bonds and other marketable debt securities	-	-	-	197,385	197,385
Bank borrowings	48,120	9,187	4,181	-	61,488
Payables to sporting entities (Note 14.3)	77,588	77,338	26,361	-	181,287
Other non-current liabilities:					
Compensation for contract termination	47,543	19,664	3,234	62	70,503
Others	-	-	-	1,074	1,074
Total	**173,251**	**106,189**	**33,776**	**198,521**	**511,737**

Bonds and other marketable debt securities

On August 28, 2018 the Club issued Senior Notes for an amount of 90 million euros which matured on August 28, 2023 and accrued a fixed interest rate lower than 2%. Said Senior Notes were acquired by a US insurance company. At June 30, 2019 the amortized cost at which said debt has been recorded amounts to 89 million euros. Additionally, on August 28, 2018 the Club carried out a second issue of Senior Notes for an amount of 50 million euros, maturing on August 28, 2023, and also accruing an annual fixed interest rate lower than 2%. These Senior Notes were acquired by another US insurance company. At June 30, 2019 the amortized cost at which said debt has been recorded amounts to 49 million euros.

Additionally, on May 16, 2019 the Club carried out a third issue of Senior Notes for an amount of 30 million euros, maturing on May 23, 2024, and accruing an annual fixed interest rate lower than 2.50%. These Senior Notes were acquired by a French insurance company. At June 30, 2019 the amortized cost at which said debt has been recorded amounts to 29.5 million euros.

Furthermore, on May 16, 2019 the Club carried out a fourth issue of Senior Notes for an amount of 30 million euros, maturing on May 23, 2024, and accruing an annual fixed interest rate lower than 2.50%. These Senior Notes were acquired by a French asset management company. At June 30, 2019 the amortized cost at which said debt has been recorded amounts to 29.5 million euros.

Bank borrowings

On June 1, 2017 the Club took out a loan amounting to 20 million euros for a period of 6 years maturing on June 1, 2023, with quarterly repayments and a 1-year grace period, linked to 12-month Euribor plus a spread. At June 30, 2019 the amount payable totals 16 million euros, of which 12 million euros mature in the long term.

On August 16, 2018 a US financial institution granted a loan to the Club for an amount of 90 million euros to fund the first phase of the construction of Espai Barça. The loan matures on August 16, 2020 and earns interest at Euribor plus a spread. At June 30, 2019 40 million euros have been drawn down.

On May 20, 2019 the Club took out a loan amounting to 15 million euros for a period of 3 years maturing on June 20, 2022, with quarterly repayments, linked to 12-month Euribor plus a spread. At June 30, 2019 the amount payable totals 15 million euros, of which 10 million euros mature in the long term.

The loans (except for the one taken out on May 20, 2019) and the two issues of Senior Notes require that several quarterly and annual ratios calculated based on the Club's consolidated financial statements be met. At the date these consolidated financial statements were authorized for issue, the Club has met all the conditions derived from said contracts, which are expected to be met also in the year 2019/20.

14.2. Current payables

The breakdown of "Current payables" at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Bonds and other marketable debt securities (payable interest)	1,143
Bank borrowings	10,792
Other financial liabilities	9
Total	**11,944**

Bank borrowings

The breakdown of "Bank borrowings" at June 30, 2019 is as follows:

	Thousands of euros	
	06/30/2019	
	Nominal value	**Amortized cost**
Current loans from credit institutions	9,.77	9,377
Payables for reverse factoring transactions	1,323	1,323
Interest payable and other	92	92
Total	**10,792**	**10,792**

Credit facilities

The Group has been granted credit facilities with the following limits:

	Thousands of euros		
	Limit	**Undrawn Amount**	**Drawn-down Amount**
June 30, 2019	128,883	128,883	-

During the season 2018/19 the Club has cancelled a credit facility and arranged a new one. The credit facilities mature between September 2019 and December 2021 and most of them are linked to Euribor plus a market spread. These credit facilities have been granted without providing any guarantees.

14.3. Trade and other payables

The breakdown of the accounts included under this heading at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Suppliers	106,271
Suppliers, group companies (Note 20.2)	307
Other payables	25,609
Trade payables to related parties (Note 20.2)	3,523
Payables to sporting entities	79,455
Sports personnel	160,875
Non-sports personnel	3,116
Other payables to public administrations (Note 15.1)	113.870
Customer advances	608
Total	**493,634**

Payables to sporting entities

At June 30, 2019 the breakdown of "Payables to sporting entities", which have arisen mainly as a result of the acquisition of players' registration rights by the Club, is as follows:

	Thousands of euros	
	Current	Non-current (Note 14.1)
Soccer clubs:		
FC Bayern München AG (Arturo Vidal)	10,925	-
Bayer 04 Leverkusen (Arturo Vidal)	143	-
FC Girondins de Bordeaux (Malcom Oliveira)	10,114	20,227
Grêmio Foot-Ball Porto Alegrense (Arthur Melo)	7,732	20,250
K.A.S. Eupen (Moussa Wagué)	1,986	-
Club Atlético Mineiro (Emerson)	6,170	6,000
Real Valladolid, C.F. (José Arnaiz)	250	250
Valencia C.F. (Neto)	11,960	19,500
Liverpool Football Club (Coutinho) *	27,936	66,667
A.F.C. Ajax (Frenkie De Jong)	-	48,616
Others	2,239	(223)
Total payables to sporting entities	**79,455**	**181,287**

* Liverpool Football Club has sold its account receivable to a financial institution.

Personnel

The breakdown of current and non-current balances held with sports personnel is the following:

	Thousands of euros	
	06/30/2019	
	Receivable balances (Note 10.3)	Payable balances
Non-current		
First team players	61,389	67,770
Other sports players	2,844	2,733
Total non-current	**64,233**	**70,503**
Current		
First team players	64,622	157,097
Other sports players	3,300	3,778
Total current	**67,922**	**160,875**
Total	**132,155**	**231,378**

At the beginning of July 2019 the most significant outstanding sporting employee benefits payable were settled.

Non-current and current receivable balances mainly include the signing bonuses for amounts pending accrual of 64,233 and 67,922 thousand euros. The additions for the year amount to 44,780 thousand euros, whereas disposals amount to 10,446 thousand euros.

Additionally, the amounts accrued for that concept have been transferred to "Employee benefits expense" and "External services" for 62,124 and 6,232 thousand euros, respectively.

14.4. Information on the average payment period to suppliers

The information required by Additional Provision Three of Law 15/2010 of July 5 (modified by Final Provision Second of Law 31/2014 of December 3) prepared in accordance with the Resolution by ICAC of January 29, 2016 on the information to be included in the financial statements regarding the average payment period to suppliers in trade transactions.

	06/30/2019
	Days
Average payment period to suppliers	73
Ratio of transactions paid	73
Ratio of transactions pending payment	91

	Thousands of euros
Total payments made	233,737
Total payments outstanding	14,621

In accordance with the ICAC Resolution, the calculation of the average supplier payment period considered commercial transactions involving the delivery of goods and the rendering of services from the effective date of Law 31/2014, of December 3.

For the sole purpose of providing the information required by this Resolution, suppliers are trade creditors in respect of amounts due in exchange for goods and services supplied, which are included in the "Suppliers" heading of the current liabilities side in the consolidate balance sheet.

"Average payment period to suppliers" is the time elapsed between the delivery of the goods or the rendering of the services by the supplier and the actual payment of the transaction.

The balances with sporting entities and assets suppliers are settled in accordance with the agreements signed by the parties, and thus, the legal deadline established for trade transactions can be exceeded.

15. Tax matters

15.1. Current balances with public administrations

The breakdown of current balances with public administrations at June 30, 2019 is as follows:

Receivable balances:	**Thousands of euros**
	06/30/2019
VAT receivable from tax authorities	2,162
Corporate income tax receivable from tax authorities	2,678
Total	**4,840**

Payable balances:	**Thousands of euros**
	06/30/2019
Current personal income tax payable to tax authorities	101,913
Payables to Social Security entities	1,668
VAT payable to tax authorities	9,054
Other concepts payable to tax authorities	1,235
Total	**113,870**

15.2. Reconciliation of accounting profit and taxable income

The reconciliation of accounting profit and consolidated taxable income is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Accounting profit/(loss) (before tax)			3,556
Permanent differences:			
Deduction due to international double taxation	2,060	-	2,060
Fines, penalties, donations and gifts	622	-	622
Others	1,259	(2,665)	(1,406)
Temporary differences:			
Provision for risks and expenses	55,330	(51,159)	4,171
Provision for bad debts	998	-	998
Non-deductible depreciation and amortization for tax purposes	-	(2,881)	(2,881)
Utilization of tax loss carryforwards	-	(48)	(48)
Consolidated taxable income	**60,269**	**(56,753)**	**7,072**

The main differences between the taxable base of the income tax and the accounting profit/(loss) correspond to the provisions recorded during the current year and the adjustment of certain expenses considered non-deductible for tax purposes in prior years.

For the tax periods beginning on or after 2013 and 2014, pursuant to article 7 of Law 16/2012 the depreciation and amortization of property, plant and equipment, intangible assets and investment property could be deducted up to 70% of the depreciation and amortization that would have been deductible had this percentage not been applied. The depreciation and amortization that was not deductible according to said Law is deducted on a straight-line basis over 10 years or over the useful life of the asset as from the first tax period beginning in 2015. The reversal of non-deductible depreciation and amortization in the year ended June 30, 2019 amounts to 2,881 thousand euros.

257

15.3. Tax recognized in equity

At June 30, 2019 the breakdown of taxes recognized directly in equity is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Deferred tax:			
Arising in the year			
Grants (Note 12.2)	27	-	27
Total tax recognized directly in equity	**27**	**-**	**27**

15.4. Reconciliation of accounting profit (loss) and corporate income tax expense (income)

The reconciliation of accounting profit (loss) and corporate income tax expense (income) is as follows:

	Thousands of euros
	06/30/2019
Accounting profit/(loss) (before tax)	3,556
Permanent differences	1,276
Total Base	4,832
Tax rate	25%
Tax liability	1,208
Deductions applied	(930)
Other adjustments	(717)
Adjustment of deductions and unused tax loss carryforwards	(532)
Total tax expense / (income) recognized in the consolidated income statement	**(971)**

The "Other adjustments" heading mainly corresponds to unused tax loss carryforwards amounting to 2,445 thousand euros arisen as a result of a court judgment, corresponding to financial years 2002/03 and 2003/04, which were offset in the 2017/18 income tax return.

15.5. Breakdown of corporate income tax expense (income)

The breakdown of the consolidated corporate income tax expense (income) is as follows:

	Thousands of euros
	06/30/2019
Current tax	840
Deferred tax	(1,474)
Adjustments to prior year's current tax	(337)
Total consolidated tax expense / (income)	**(971)**

As indicated in Note 4.8, as from the season 2018/19 the Club files the income tax return on a consolidated basis together with its subsidiary Barça Licensing & Merchandising, S.L.U., and the Club is the parent of the consolidated tax group. Income tax receivable at June 30, 2019 was calculated as follows:

	Thousands of euros
Taxable income Futbol Club Barcelona	3,963
Taxable income Barça Licensing & Merchandising, S.L.U.	3,155
Offset of unused tax loss carryforwards Barça Licensing & Merchandising, S.L.U.	(47)
Consolidated taxable income	7,071
Tax payable (25%)	1,768
Deductions Futbol Club Barcelona	(922)
Deductions Barça Licensing & Merchandising, S.L.U.	(6)
Payments on account Futbol Club Barcelona	(2,269)
Payments on account Barça Licensing & Merchandising, S.L.U.	(1,249)
Corporate income tax receivable from tax authorities	**(2,678)**

15.6. Deferred tax assets and liabilities

The breakdown of the balances in these accounts at June 30, 2019 is as follows:

	Thousands of euros			
Description	**Deferred tax assets**		**Deferred tax liabilities**	
	Amount	**Tax effect**	**Amount**	**Tax effect**
Grants	-	-	2,432	608
Tax credits related to unused loss carryforwards	1,868	467	-	-
Temporary differences	86,740	21,685	-	-
Unused deductions	-	65	-	-
	88,868	**22,217**	**2,432**	**608**

Unused tax loss carryforwards amounting to 1,868 thousand euros correspond to the years 2009/10 (1,518 thousand euros) and 2010/11 (350 thousand euros). Law 27/2014 of November 27 approved the elimination of the time limit on the utilization of tax loss carryforwards, which is effective for the tax periods beginning on or after January 1, 2015.

The above-listed deferred tax assets have been recognized in the consolidated balance sheet since, based on the best estimate of the future profits of the tax group of which the Club is the parent, including certain tax planning initiatives, the Club's Board of Directors consider that it is probable that these assets may be recovered.

15.7. Exercises open to inspection and tax inspections

On February 18, 2016 the tax authorities notified the Club of the beginning of verification and inspection proceedings regarding the following taxes and periods:

a. Corporate income tax for the years 2011/12, 2012/13 and 2013/14.

b. VAT for the period comprised between January 2012 and December 2014.

c. Withholdings / payments on account of investment income for the period comprised between January 2012 and December 2014.

d. Withholdings / payments on account of employee/independent professionals income tax for the period comprised between January 2012 and December 2014.

e. Withholdings / payments on account of property leases for the period comprised between January 2012 and December 2014.

f. Withholdings / payments on account of non-residents taxation for the period comprised between January 2012 and December 2014.

On November 17, 2016 the inspection proceedings were extended to the following periods:

a. Corporate income tax for the year 2014/15.

b. VAT for the period comprised between January 2015 and June 2015.

c. Withholdings / payments on account of non-residents taxation for the period comprised between January 2015 and June 2015.

d. Withholdings / payments on account of employee/independent professionals income tax for the period comprised between January 2015 and June 2015.

Pursuant to article 148 of the General Tax Law and article 178 of General Regulations governing Tax Proceedings, these tax proceedings were considered as general and were completed on May 4, 2018, issuing notifications of assessments signed in agreement for tax liabilities for the income tax, VAT, personal income tax withholdings and non-resident withholdings amounting to 10,288 thousand euros, late payment interest amounting to 2,383 thousand euros and fines amounting to 800 thousand euros. A provision for the assessments signed in agreement was recorded at June 30, 2018, and the assessments were paid in July and August 2018. Additionally, in October 2018 the fine corresponding to the corporate income tax assessments signed in agreement was paid for an amount of 656 thousand euros (Note 13.2).

On June 29, 2018 the Club was notified of settlement agreements derived from the aforementioned assessments signed in disagreement, amounting to 13,496 thousand euros, and late payment interest amounting to 3,298 thousand euros. In July 2018 the Club filed economic and administrative claims to the Central Economic and Administrative Court against said settlement agreements. Furthermore, in January 2019 the Club filed economic and administrative claims to the Central Economic and Administrative Court against the administrative fines amounting to 16,481 thousand euros derived from the inspection and which were also received in January 2019.

The Club's Board of Directors and its tax advisors consider that the provision recorded at June 30, 2019 in the "Non-current provision" heading of the consolidated balance sheet is sufficient to settle the liabilities that may arise as a result of the assessments signed in disagreement (Note 13).

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. At the reporting date of the consolidated financial statements for the year ended June 30, 2019, the Club is open to inspection for the following taxes and periods (Barça Licensing & Merchandising, S.L.U. is open to inspection for all taxes since its incorporation):

i. Corporate income tax for the season 2015/16 to 2017/18.

ii. VAT, withholdings on employee/independent professionals income tax, investment income and non-residents taxation for the period comprised between July 2015 and May 2019.

The Board of Directors of the Club considers that the above-mentioned taxes have been appropriately settled and, therefore, in the event of discrepancies in the interpretation of the tax treatment applied to transactions, any potential liabilities that could arise would not have a significant impact on the accompanying consolidated financial statements.

16. Accruals

The breakdown of "Non-current accruals" and "Current accruals" at June 30, 2019 is as follows:

	Thousands of euros		
	06/30/2019		
	Assets	Liabilities	
	Current	Current	Non-current
Multi-year contracts and other accruals	5,326	169,599	10,673
Season tickets and membership cards	-	8,754	-
	5,326	**178,353**	**10,673**

Multi-year contracts

The Group has awarded several exclusive contracts that are estimated to generate future profit for the Group amounting approximately to 1,028,954 thousand euros at June 30, 2019. Income accrued in the period from these contracts is included in the "Revenue" heading in the accompanying consolidated income statement. The amounts billed and not accrued are recorded under the "Non-current accruals" or "Current accruals" headings in the liabilities side of the accompanying consolidated balance sheet depending on the estimated time of accrual.

These contracts will be recognized as income in future years according to the following estimate:

Season	Thousands of euros 06/30/2019
2019/2020	382,975
2020/2021	396,096
2021/2022	142,098
2022/2023 and subsequent	107,785
	1,028,954

The most significant goods and rights subject to marketing and the terms of the corresponding contracts detailed below.

a. Sponsorship of sports equipment

On October 25, 2006 a contract was signed with Nike European Operations Netherlands, BV (hereinafter Nike), whereby the Club appointed Nike as the exclusive technical sponsor and supplier of sports products. Additionally, Nike was awarded the exclusive and non-exclusive license for selling sponsorship products that bear property rights. The contract came into force on July 1, 2008 and it was initially signed for a period of 5 years, although the Club and Nike Europe BV included a potential extension of 5 additional years that was approved by the General Assembly of August 29, 2007.

On January 1, 2011 the Club and Nike signed an addendum to the sponsorship contract whereby the contract was extended to June 2018.

On May 20, 2016 the Club signed an addendum to the contract, which was approved by the General Assembly of Club Member Delegates, whereby its validity was extended to June 30, 2028.

b. TV broadcasts

Royal Decree regulating the centralized sale of the soccer TV rights (Royal Decree Law 5/2015 of April 30, on urgent measures regarding the selling of operation rights over audiovisual content in professional soccer competitions) came into force on May 1, 2016. The main purpose of this Royal Decree is to establish a joint system for the sale of professional soccer TV rights.

With the new law, no club can directly sell its operation rights over audiovisual content. From that date, taking part in an official professional soccer competition shall necessarily entail the transfer of these rights to the organizer of the competition: the Spanish Professional Soccer League (LFP) for La Liga and La Liga 2, and the Spanish Soccer Association (RFEF) for the Spanish Cup.

c. Official sponsor

On January 19, 2017 the Club signed a contract with Rakuten INC, granting them, among other rights, the worldwide shirt sponsorship and exploitation right. This contract came into force on July 1, 2017 and will expire on June 30, 2021.

Season tickets and membership cards

The balance recorded in this heading at June 30, 2019 mainly corresponds to the deferred portion of the membership cards for the calendar year 2019.

17. Foreign currency

The Group does not carry out significant recurring transactions in foreign currencies.

18. Income and expenses

18.1. Revenue

The distribution of revenue by activity and geographical segments at June 30, 2019 is as follows:

	Thousands of euros			
Activities	**First team soccer**	**Other sports and Club structure**	**Barça Licensing & Merchandising**	**Total**
Revenue from competitions:				
Gate money from La Liga matches	47,667	1,156	-	48,823
Gate money from other Spanish competitions	6,908	-	-	6,908
Gate money from international competitions	16,829	926	-	17,755
Friendly and other matches	17,700	591	-	18,291
Hospitality	21,885	318	-	22,203
Total revenue from competitions	110,989	2,991	-	113,980
Revenue from membership card holders and season ticket holders	41,882	19,002	-	60,884
Revenue from TV broadcasts and TV rights	288,890	9,232	-	298,122
Income from the rendering of services	290	123	-	413
Revenue from marketing and advertising (*):				
Marketing	32,784	61,550	61,439	155,773
Sponsorship	195,766	11,312	-	207,078
Advertising and other income	285	195	-	480
Total revenue from marketing and advertising	228,835	73,057	61,439	363,331
Total	**670,886**	**104,405**	**61,439**	**836,730**

(*) It includes revenue from marketing as a result of participating in the Champions League.

	Percentage (based on turnover)			
Geographical markets	**First team, soccer**	**Other sports and Club structure**	**Barça Licensing & Merchandising**	**Total**
Spain	68%	8%	7%	83%
International	14%	2%	1%	17%
Total	**82%**	**10%**	**8%**	**100%**

18.2. Other operating income

The breakdown of this heading at June 30, 2019 is as follows:

	Thousands of euros
	06/30/2019
Others	2,205
Loan and training of players (Note 5)	12,690
Operating grants	546
Total	**15,441**

18.3. . Employee benefits expense

The breakdown of this heading for the season ended June 30, 2019 is as follows:

	Thousands of euros					
	Wages and salaries	Termination benefits	Collective bonuses	Social security	Other (*)	Total
Wages and salaries of sports personnel:						
First team players and coaching staff	311,943	-	85,314	378	19,626	417,261
Rest of coaching staff and other sports employees	61,306	300	6,786	5,013	206	73,611
Total wages and salaries of sports personnel	373,249	300	92,100	5,391	19,832	490,872
Total wages and salaries of structure personnel:	38,440	306	-	9,725	2,577	51,048
Total	**411,689**	**606**	**92,100**	**15,116**	**22,409**	**541,920**

(*) The "Other" column in wages and salaries of sports personnel corresponds to remuneration earned by the sports personnel in addition to the annual payroll and which is not paid during the year.

	Thousands of euros					
	Wages and salaries	Termination benefits	Collective bonuses	Social security	Other	Total
Squad registrable with LFP	311,943	-	85,314	378	19,626	417,261
Squad not registrable with LFP	61,306	300	6,786	5,013	206	73,611
Total	**373,249**	**300**	**92,100**	**5,391**	**19,832**	**490,872**

The breakdown of total expenses associated with the sporting squad for the year ended June 30, 2019 is as follows:

	Thousands of euros		
	06/30/2019		
	Squad registrable with LFP	Squad not registrable with LFP	Total
Wages and salaries of sports personnel	417,261	73,611	490,872
Image rights to companies	33,372	479	33,851
Expenses associated with the sporting squad			
Amortization of players	140,277	5,251	145,528
Expenses from impairment of players	25,934	377	26,311
Reversal of impairment of players	(28,434)	(377)	(28,811)
Loss/profit on the sale of players	(84,421)	(16,299)	(100,720)
Loss/profit on the loan of players	(9,469)	(399)	(9,868)
Others	451	106	557
Total Cost of Sports Personnel	**494,971**	**62,749**	**557,720**

The total employee benefits expense shown below includes the amounts detailed in the calculation of the indicator of employee benefits expense associated with the squad registrable with LFP, as defined by the Economic Control Regulations of the LFP, as well as the amounts associated with the squad not registrable with LFP:

	Thousands of euros
	2018/19
Wages and salaries of personnel	541,920
Image rights to companies	33,851
Others	557
Total	**576,328**

18.4. External services

This heading in the accompanying consolidated income statement includes, among others, the amounts incurred by the Club for the image rights of players and coaches composing the Club's sporting squads, amounting to 33,851 thousand euros in the current year. The breakdown of these costs is as follows:

	2018/19	
	Average period of agreements	**Thousands of euros**
Soccer	4,6 years	33,490
Basketball	2 years	361
		33,851

As for the players that have sold their image rights to Image Management Companies, the Club pays them for this concept a maximum amount of 15% of the overall remuneration earned by the player. During the current year, the Club has recorded an expense of 557 thousand euros corresponding to the remuneration earned by sports agents. This amount includes, where appropriate, the payment of applicable taxes.

18.5. Charges for the year and utilization of provisions and others

The breakdown of this item in the consolidated income statement for the year ended June 30, 2019 is as follows:

	Thousands of euros
	2018/19
Charges for the year	(3,234)
Others	(78)
Charge for the year and other non-recurring expenses	(3,312)
Reversal of provisions	225
Non-recurring income	6,500
Utilization of provisions and other non-recurring income	6,725
Total	**3,413**

"Charge for the year" mainly consists of a provision for future tax liabilities.

"Non-recurring income" includes the partial cancelation of a provision for a career-end bonus, in accordance with new contractual terms established.

19. Contribution by entity to profit/(loss) for the year

The contribution by each entity included in the scope of consolidation to consolidated profit is as follows:

	Thousands of euros
	06/30/2019
Futbol Club Barcelona	2,947
Barça Licensing & Merchandising, S.L.U.	1,580
Total	**4,527**

20. Related-party transactions and balances

20.1. Related-party transactions

The breakdown of related-party transactions during the 2018/19 season is as follows:

Company	Thousands of euros 06/30/2019
Contributions:	**(4,585)**
Futbol Club Barcelona Foundation	(4,585)
Services received:	**(2,653)**
Futbol Club Barcelona Foundation	(58)
FC Barcelona HK Limited	(2,037)
FC Barcelona North America LLC	(558)
Services provided:	**1,224**
Futbol Club Barcelona Foundation	591
FC Barcelona North America LLC	157
Haikou Barça Mission Hills	476
Finance income:	**133**
FC Barcelona HK Limited	47
FC Barcelona North America LLC	86

20.2. Related-party balances

The breakdown of balances with related parties is as follows:

Company	Thousands of euros 06/30/2019
Non-current loans to group companies and associates:	
FC Barcelona HK Limited (Note 10.2)	3,088
FC Barcelona North America LLC (Note 10.2)	15
Trade and other receivables:	
Futbol Club Barcelona Foundation (Note 10.3)	4
FC Barcelona HK Limited (Note 10.3)	38
FC Barcelona North America LLC (Note 10.3)	56
Haikou Barça Mission Hills (Note 10.3)	476
Trade and other payables:	
FC Barcelona HK Limited (Note 14.3)	(307)
Futbol Club Barcelona Foundation (Note 14.3)	(3,523)

20.3. Board of Directors and Executive Committee remuneration

As set forth in the Club's by-laws, the members of the Board of Directors have neither earned nor accrued any remuneration, advances or loans from the Club during the year 2018/19.

Additionally, the remuneration earned by the Club's Executive Committee, which include the estimated variable remuneration at June 30, 2019 in the wages heading, is as follows:

	Thousands of euros		
	Wages	Pension schemes	Termination benefits
Executive Committee	3,985	97	-

At June 30, 2019 the members of the Club's Executive Committee have not received any advance or loan from the Club.

During the 2018/19 season liability insurance premiums for damages arising in acts and omissions related to the performance of the duties of Board of Directors and the Executive Committee have been paid for an amount of 371 thousand euros.

21. Other information

21.1. Employees

The Group's average headcount during the current year by professional category is as follows:

Categories	06/30/2019	
	Average headcount	Average headcount with a disability > 33% over total headcount
Professional sports personnel	15	-
Administrative personnel	642	7
Other employees (facilities, medical services and other)	468	6
Total	213	31
Total	**1,338**	**44**

Additionally, the breakdown of headcount by gender and professional category at June 30, 2019 is as follows:

Categories	06/30/2019		
	Men	Women	Total
Executive Committee	13	1	14
Professional sports personnel	599	64	663
Administrative personnel	257	214	471
Other employees (facilities, medical services and other)	180	156	336
Total	**1,049**	**435**	**1,484**

At June 30, 2019 the Club's Board of Directors consisted of 17 men and 2 women.

At the date these consolidated financial statements were authorized for issue, the Club's Board of Directors consisted of 16 men and 2 women.

21.2. Audit fees

Audit fees and fees paid for services provided by the Group's auditor in the 2018/19 season are as follows:

	Thousands of euros
	2018/19
Audit services	188
Other assurance services	97
Total audit and verification services	**285**
Other services	3
Total professional services	**288**

21.3. Guarantee commitments to third parties and other financial liabi

At June 30, 2019, the Group has provided guarantees amounting to 28,818 thousand euros. The most significant guarantees at June 30, 2019 relate to the assessments signed in disagreement (Note 15.7).

The Club's Board of Directors considers that any unforeseen liabilities at June 30, 2019 that could arise from the above-mentioned guarantees, if any, would not be significant.

21.4. Control ratios for sporting bodies

The main ratios established in the Economic Control Regulations and other LFP mandatory standards are indicated below. For comparative purposes, the prior-year figures, which have been obtained from the financial statements of the Club at June 30, 2018, are included.

Break-even point indicator

The difference between the relevant income and expenses gives the result of break-even point. The total result of break-even point will be the sum of the break-even point results for each accounting period covered by the monitoring period, that is, the T, T-1 and T-2 accounting periods, where T is the annual accounting period, for which the audited financial statements have been requested:

	Thousands of euros		
	T	T-1	T-2
	06/30/2019	06/30/2018	06/30/2017
Relevant income	954,544	881,714	691,083
Relevant expenses	846,653	778,245	582,666
Break-even point (+ surplus, - deficit)	107,891	103,469	108,417
Total break-even point	319,777	-	-
Required break-even point	> 0	-	-
Conclusion	**MET**	**-**	**-**

The calculation of relevant income and its reconciliation to the accompanying consolidated financial statements are as follows:

	Thousands of euros		
	T	T-1	T-2
	06/30/2019	06/30/2018	06/302017
Relevant income			
Gate money	171,580	159,286	140,211
Sponsorship and advertising	198,072	216,510	198,682
Broadcasting rights	292,790	179,464	175,345
Commercial activities	155,585	108,723	51,203
Other operating income	13,827	1,777	66,920
Profit from intangible sporting assets	84,450	203,578	19,648
Financial income and currency translation differences	1,418	1,060	5,073
Operating grants	70	100	235
Other income not classified in the above headings	36,752	11,216	33,766
Total relevant income	954,544	881,714	691,083
Income recognized in the consolidated financial statements			
Total operating income	991,731	-	-
Total financial income	4,083	-	-
Total income recognized in the consolidated financial statements	995,814	-	-
Difference	**41,270**	**-**	**-**
Reconciling items			
Income from transactions not related to the professional soccer activity	41,270	-	-
Total reconciling items	**41,270**	**-**	**-**

The calculation of relevant expenses and their reconciliation to the accompanying consolidated financial statements are as follows:

	Thousands of euros		
	T	T-1	T-2
	06/30/2019	06/30/2018	06/30/2017
Relevant expenses			
Cost of sales / equipment	6,320	4,525	3,906
Employee remuneration expense	471,745	462,902	324,285
Other operating expenses	181,523	164,009	137,241
Amortization / Impairment of players' registration rights	166,210	113,503	64,510
Losses on the sale of players' registration rights	29	200	3,746
Finance cost and dividends	17,242	12,912	4,607
Other expenses not classified in the above headings	3,584	20,195	44,370
Total relevant expenses	846,653	778,245	582,666
Expenses recognized in the consolidated financial statements			
Total operating expenses	972,798	-	-
Total financial expenses	18,490	-	-
Total expenses recognized in the consolidated financial statements	991,288	-	-
Difference	**144,635**	**-**	**-**
Reconciling items			
Depreciation / Impairment of property, plant, and equipment	14,341	-	-
Depreciation / Impairment of sporting assets	5,251	-	-
Tax expenses (corporate income tax)		-	-
Expenses from directly-attributable community development activities	4,585	-	-
Other expenses not included in the above reconciling items	120,458	-	-
Total reconciling items	**144,635**	**-**	**-**

Indicator of employee benefits expense related to the registrable squad

It is considered that there is an indication of a potential future economic and financial imbalance when the annual economic amount of the employee benefits expense associated with the registrable squad, players and coaches of the Club is higher than 70% of the relevant income for the season, as defined in the Economic Control Regulations of LFP.

	Thousands of euros	
	06/30/2019	**06/30/2018**
Employee benefits expense related to the first and second team soccer squads (*)	458,752	473,419
Relevant income	954,544	881,714
Indicator of employee benefits expense related to the registrable squad	48%	54%
Required indicator of employee benefits expense related to the registrable squad	<70%	<70%
Conclusion	**MET**	**MET**

(*) It includes expenses for wages, image management companies and remuneration earned by agents.

The calculation and reconciliation of income is shown in the break-even point calculation above.

The reconciliation of the expenses associated with the registrable soccer squad with the total employee benefits expense is as follows:

	Thousands of euros	
	06/30/2019	**06/30/2018**
Employee benefits expense related to the registrable soccer squad (a)	451,084	456,590
Non-sporting soccer and structure employee benefits expense related to the first and second team soccer squads (b)	7,668	16,829
Total employee benefits expense related to the first and second team soccer squads	458,752	473,419
Non-sporting employee benefits expense excluding those included in section (b) and	66,528	47,372
Registrable employee benefits expense excluding those included in section (a)	51,047	43,440
Total employee benefits expense	**576,327**	**564,231**

Ratio of net debt to relevant revenue

As defined in the Regulations there is an indication of a potential economic and financial imbalance when net debt at the end of each season is higher than 100% of the entity's relevant income.

In accordance with the regulations, the amount of net debt corresponds to the sum of the net debt for sales (that is, the net amount of accounts receivable and payable for the sale of players), of the amounts pending payment for the financing facilities received from banks, related parties and third parties, of the advance collections to be accrued in more than 1 year and of the amounts payable to assets suppliers less cash and cash equivalents and temporary financial investments. Net debt does not include trade and other payables.

	Thousands of euros	
	06/30/2019	**06/30/2018**
Net debt	217,204	157,449
Relevant income	954,544	881,714
Ratio of net debt to relevant revenue	22.7%	17.9%
Required ratio of net debt to relevant revenue	<100%	<100%
Conclusion	**MET**	**MET**

The breakdown of net debt is as follows:

	Thousands of euros	
	06/30/2019	06/30/2018
Non-current payables		
Bonds and other marketable debt securities (Note 14.1)	(197,385)	-
Bank borrowings (Note 14.1)	(61,488)	(16,177)
Payables to sporting entities for sales and loans of players (Note 14.3)	(181,287)	(97,333)
Other payables	-	(99)
Accruals (Note 16)	(10,673)	(16,186)
Total non-current payables	**(450,833)**	**(129,795)**
Current payables		
Bonds and other marketable debt securities (Note 14.2)	(1,143)	-
Bank borrowings (Note 14.2)	(10,801)	(49,050)
Payables to sporting entities for sales and loans of players (Note 14.3)	(79,455)	(45,193)
Other payables	(11,482)	(1,333)
Total current payables	**(102,881)**	**(95,576)**
Total liabilities entries	**(553,714)**	**(225,371)**
Compensating assets entries		
Non-current receivables from sporting entities for sales and loans of players (Note 10.1)	92,233	11,852
Current receivables from sporting entities for sales and loans of players (Note 10.3)	85,915	15,723
Cash and cash equivalents	158,362	40,347
Total compensating assets entries	**336,510**	**67,922**
Total	**(217,204)**	**(157,449)**

22. Income statement by sports

In the supplementary information included in the consolidated income statement by sports, the Club has used the following criteria to allocate amounts to the reportable sports:

- The income and expenses that due to their nature can be allocated to each sports activity have been recorded directly in the corresponding sport.

The consolidated income statement by sports for the year 2018/19 and, for comparative purposes, the Club's income statement for the year 2017/18 is presented in Appendix I, which is an integral part of this note.

23. Budget settlement

Appendix II shows the consolidated budget for the 2018/19 season and the separate budget of the Club for the 2017/18 season approved at the General Assemblies held on October 20, 2018 and October 21, 2017, respectively, compared to the settlements for the years ended June 30, 2019 and June 30, 2018. The settlements show the same structure and are prepared in accordance with the same criteria as the ones used in the income statements in the corresponding financial statements.

24. Subsequent events

Subsequent to June 30, 2019 and up until the date these consolidated financial statements were authorized for issue no transactions or events have occurred which may have an effect on the reading of these consolidated financial statements, except for that explained in Note 5.

APPENDICES

APPENDIX I

CONSOLIDATED INCOME STATEMENT BY SPORTS FOR THE YEAR ENDED JUNE 30, 2019

(Thousands of euros)

	Soccer	Jr. Soccer Teams	Basketball	Handball	Roller Hockey	Futsal	Other sports	Blm and Other	Total
CONTINUING OPERATIONS									
Revenue	**670,885**	**2,251**	**11,264**	**2,305**	**528**	**1,215**	**1,140**	**147,142**	**836,730**
Revenue from competitions	110,990	49	2,015	146	10	222	-	549	113,980
Revenue from season ticket holders and membership card holders	41,882	-	777	40	4	22	-	18,159	60,884
Revenue from TV broadcasts and TV rights	288,890	1,773	2,825	647	-	88	-	3,900	298,122
Revenue from marketing and advertising	228,834	430	5,647	1.472	515	884	1.140	124,410	363,331
Rendering of services	289	-	-	-	-	-	-	124	413
Work performed by the entity and capitalized.	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,375**	**1,375**
Cost of sales	**(3,095)**	**(1,091)**	**(913)**	**(489)**	**(201)**	**(303)**	**(734)**	**(27,137)**	**(33,963)**
Consumption of sports equipment	(950)	(953)	(796)	(403)	(161)	(240)	(726)	(24,936)	(29,165)
Other consumables and external expenses	(2,145)	(137)	(117)	(86)	(40)	(64)	(8)	(.408)	(4,006)
Impairment of goods for resale, raw materials and other consumables	-	-	-	-	-	-	-	(792)	(792)
Other operating income	**12,044**	**1,031**	**11**	**33**	**5**	**63**	**41**	**2,212**	**15,441**
Ancillary income	12,044	923	8	32	5	25	13	1,844	14,895
Grants related to income	-	109	3	1	-	38	27	368	546
Employee benefits expense	**(427,625)**	**(22,518)**	**(25,613)**	**(7,001)**	**(2,272)**	**(4,298)**	**(1,505)**	**(51,090)**	**(541,920)**
Wages and salaries of sports personnel	(424,345)	(19,465)	(24,676)	(6,292)	(1,911)	(3,853)	(1.233)	(3,706)	(485,482)
Wages and salaries et al. of non-sports personnel	(2,318)	(938)	(266)	(253)	(82)	(91)	-	(37,065)	(41,012)
Social security costs	(903)	(2,083)	(661)	(447)	(277)	(351)	(271)	(9,115)	(14,109)
Provisions	(60)	(31)	(9)	(9)	(2)	(2)	-	(1,204)	(1,317)
Other operating expenses	**(120,918)**	**(8,441)**	**(6,507)**	**(2,067)**	**(786)**	**(1,371)**	**(1,181)**	**(65,673)**	**(206,945)**
External services	(65,556)	(4,012)	(3,306)	(886)	(318)	(578)	(287)	(54,282)	(129,226)
Taxes	(3,762)	(311)	(7)	-	-	-	-	(1,405)	(5,485)
Losses on, impairment of and change in trade provisions	(970)	-	-	-	-	-	-	(480)	(1,450)
Impairment losses on trade receivables	(970)	-	-	-	-	-	-	(480)	(1,450)
Reversal of impairment losses on trade receivables	-	-	-	-	-	-	-	-	-
Away matches	(4,787)	(2,706)	(1,746)	(861)	(315)	(499)	(428)	(87)	(11,428)
Player acquisition expenses	(2,273)	(307)	(42)	(56)	(10)	-	(135)	-	(2,823)
Other current management expenses	(43,570)	(1,105)	(1,406)	(264)	(144)	(294)	(332)	(9,419)	(56,533)
Depreciation and amortization	**(140,837)**	**(3.733)**	**(1,319)**	**(359)**	**-**	**(88)**	**-**	**(13,533)**	**(159,869)**
Grants related to non-financial assets and other grants	**70**	**39**	**-**	**-**	**-**	**-**	**-**	**-**	**109**
Overprovisions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment losses and gains (losses) on disposal of non-current assets	**86,781**	**15,579**	**758**	**(25)**	**-**	**(13)**	**-**	**93**	**103,172**
Impairment losses and losses	2,500	-	-	-	-	-	-	188	2,688
Impairment losses on intangible sporting assets	(25,934)	(378)	-	-	-	-	-	-	(26,311)
Impairment losses on property, plant and equipment	-	-	-	-	-	-	-	(36)	(36)
Reversal of impairment losses on intangible sporting assets	28,434	378	-	-	-	-	-	-	28,811
Reversal of impairment losses on property, plant and equipment	-	-	-	-	-	-	-	224	224
Gains / (losses) on disposals	84,281	15,579	758	(25)	-	(13)	-	(95)	100,484
Losses on property, plant and equipment	(140)	-	-	-	-	-	-	(95)	(235)
Losses on intangible sporting assets	(29)	(138)	(5)	(25)	-	(13)	-	-	(210)
Gains on intangible sporting assets	84,450	15,717	763	-	-	-	-	-	100,930
Other	**6,500**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,088)**	**3,412**
Non-recurring losses	-	-	-	-	-	-	-	(3,313)	(3,313)
Other non-recurring income	6,500	-	-	-	-	-	-	225	6,725
OPERATING PROFIT/(LOSS)	**83,806**	**(16,882)**	**(22,319)**	**(7,603)**	**(2,726)**	**(4,796)**	**(2239)**	**(9,699)**	**17,542**
Finance income	**1,042**	**422**	**-**	**-**	**-**	**-**	**-**	**14**	**1,478**
From marketable securities and other financial instruments	**1,042**	**422**	**-**	**-**	**-**	**-**	**-**	**14**	**1,478**
Of third parties	1.042	422	-	-	-	-	-	14	1,478
Financial costs	**(685)**	**-**	**-**	**-**	**-**	**-**	**-**	**(16,333)**	**(17,018)**
Third-party borrowings	(685)	-	-	-	-	-	-	(16,333)	(17,018)
Exchange gains (losses)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**139**	**139**
Exchange gains	-	-	-	-	-	-	-	363	363
Exchange losses	-	-	-	-	-	-	-	(225)	(225)
Impairment of and gains/(losses) on disposal of financial instruments	**-**	**-**	**(23)**	**-**	**-**	**-**	**-**	**1,440**	**1,416**
Gains on interest in financial assets	-	-	-	-	-	-	-	2,665	2,665
Losses on interest in financial assets	-	-	(23)	-	-	-	-	(1,225)	(1,248)
FINANCE COST	**357**	**422**	**(23)**	**-**	**-**	**-**	**-**	**(14,741)**	**(13,985)**
PROFIT/(LOSS) BEFORE TAX	**84,162**	**(16,460)**	**(22,342)**	**(7,603)**	**(2,726)**	**(4,796)**	**(2,239)**	**(24,440)**	**3,557**
INCOME TAX	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**970**	**970**
PROFIT/(LOSS) FOR THE YEAR	**84,162**	**(16,460)**	**(22,342)**	**(7,603)**	**(2,726)**	**(4,796)**	**(2,239)**	**(23,470)**	**4,527**

APPENDIX I
INCOME STATEMENT BY SPORTS FOR THE YEAR ENDED JUNE 30, 2018
(Thousands of euros)

	Soccer	Jr, Soccer Teams	Basketball	Handball	Roller Hockey	Futsal	Other sports	Other	Total
CONTINUING OPERATIONS									
Revenue	**579,885**	**9,223**	**9,197**	**1,740**	**537**	**892**	**897**	**84,098**	**686,471**
Revenue from competitions	98,410	1,853	1,581	134	9	168	-	1,845	104,001
Revenue from season ticket holders and membership card holders	41,137	-	921	29	1	25	-	17,895	60,008
Revenue from TV broadcasts and TV rights	175,564	5,281	2,191	447	-	-	-	3,900	187,383
Revenue from marketing and advertising	264,774	2,088	4,503	1,130	528	699	897	60,459	335,079
Work performed by the entity and capitalized	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,209**	**1,209**
Cost of sales	**(2,162)**	**(964)**	**(764)**	**(448)**	**(197)**	**(281)**	**(692)**	**(2,363)**	**(7,871)**
Consumption of sports equipment	(1,375)	(805)	(652)	(334)	(165)	(233)	(690)	(1,111)	(5,365)
Other consumables and external expenses	(787)	(159)	(112)	(115)	(32)	(48)	(2)	(1,251)	(2,506)
Other operating income	**(39)**	**1,354**	**545**	**49**	**9**	**67**	**-**	**1,816**	**3,801**
Ancillary income	(39)	1,235	485	49	9	31	-	1,530	3,300
Grants related to income	-	119	59	-	-	37	-	286	501
Employee benefits expense	**(420,669)**	**(23,641)**	**(28,548)**	**(6,921)**	**(2,073)**	**(3,748)**	**(1,288)**	**(42,233)**	**(529,121)**
Wages and salaries of sports squad	(417,293)	(20,690)	(27,718)	(6,293)	(1,727)	(3,340)	(1,084)	(2,803)	(480,947)
Wages and salaries et al, of non-sports personnel	(2,473)	(963)	(265)	(230)	(83)	(85)	-	(31,421)	(35,520)
Social security costs	(852)	(1,955)	(556)	(389)	(261)	(321)	(204)	(7,094)	(11,631)
Provisions	(51)	(34)	(9)	(10)	(2)	(2)	-	(915)	(1,022)
Other operating expenses	**(113,224)**	**(10,018)**	**(6,954)**	**(1,708)**	**(651)**	**(1,135)**	**(1,132)**	**(55,471)**	**(190,293)**
External services	(67,301)	(3,982)	(4,406)	(849)	(303)	(489)	(257)	(45,104)	(122,690)
Taxes	(4,127)	(272)	(8)	-	-	-	-	(364)	(4,771)
Losses on, impairment of and change in trade provisions	(990)	-	-	-	-	-	-	(756)	(1,746)
Impairment losses on trade receivables	(1,190)	-	-	-	-	-	-	(756)	(1,947)
Reversal of impairment losses on trade receivables	200	-	-	-	-	-	-	-	200
Away matches	(3,779)	(2,441)	(1,237)	(610)	(230)	(441)	(408)	(50)	(9,195)
Player acquisition expenses	-	(425)	(240)	(32)	-	-	(121)	(30)	(848)
Other current management expenses	(37,027)	(2,897)	(1,063)	(218)	(118)	(205)	(346)	(9,166)	(51,042)
Depreciation and amortization	**(114,081)**	**(3,326)**	**(1,608)**	**(368)**	**-**	**(132)**	**-**	**(12,925)**	**(132,441)**
Grants related to non-financial assets and other grants	**100**	**39**	**-**	**-**	**-**	**-**	**-**	**-**	**139**
Overprovisions	**2,500**	**-**	**-**	**-**	**-**	**-**	**-**	**465**	**2,965**
Impairment losses and gains (losses) on disposal of non-current assets	**201,290**	**5,091**	**(643)**	**(359)**	**-**	**-**	**-**	**(16)**	**205,362**
Impairment losses and losses	(2,190)	(310)	-	-	-	-	-	-	(2,500)
Impairment losses on intangible sporting assets	(11,732)	(310)	-	-	-	-	-	-	(12,042)
Reversal of impairment losses on intangible sporting assets	9,542	-	-	-	-	-	-	-	9,542
Gains / (losses) on disposals	203,479	5,401	(643)	(359)	-	-	-	(16)	207,862
Losses on property, plant and equipment	(25)	-	-	-	-	-	-	(16)	(42)
Gains on property, plant and equipment	127	-	-	-	-	-	-	-	127
Losses on intangible sporting assets	(200)	(210)	(643)	(359)	-	-	-	-	(1,413)
Gains on intangible sporting assets	203,578	5,611	-	-	-	-	-	-	209,189
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8,198)**	**(8,198)**
Non-recurring losses	-	-	-	-	-	-	-	(8,463)	(8,463)
Other non-recurring income	-	-	-	-	-	-	-	264	264
OPERATING PROFIT/(LOSS)	**133,599**	**(22,243)**	**(28,776)**	**(8,015)**	**(2,374)**	**(4,336)**	**(2,215)**	**(33,617)**	**32,023**
Finance income	**671**	**-**	**-**	**-**	**-**	**-**	**-**	**43**	**715**
From marketable securities and other financial instruments	**671**	**-**	**-**	**-**	**-**	**-**	**-**	**43**	**715**
Of third parties	671	-	-	-	-	-	-	43	715
Financial costs	**(928)**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,172)**	**(10,100)**
Third-party borrowings	(928)	-	-	-	-	-	-	(9,172)	(10,100)
Exchange gains (losses)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(352)**	**(352)**
Exchange gains	-	-	-	-	-	-	-	345	345
Exchange losses	-	-	-	-	-	-	-	(697)	(697)
Impairment of and gains/(losses) on disposal of financial instruments	**-**	**-**	**(24)**	**-**	**-**	**-**	**-**	**(2,115)**	**(2,138)**
Losses on interest in financial assets	-	-	(24)	-	-	-	-	(2,115)	(2,138)
FINANCE COST	**(256)**	**-**	**(24)**	**-**	**-**	**-**	**-**	**(11,595)**	**(11,875)**
PROFIT/(LOSS) BEFORE TAX	**133,343**	**(22,243)**	**(28,799)**	**(8,015)**	**(2,374)**	**(4,336)**	**(2,215)**	**(45,212)**	**20,148**
INCOME TAX	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,218)**	**(7,218)**
PROFIT/(LOSS) FOR THE YEAR	**133,343**	**(22,243)**	**(28,799)**	**(8,015)**	**(2,374)**	**(4,336)**	**(2,215)**	**(52,430)**	**12,930**

This appendix is an integral part of Note 22 to the consolidated financial statements, pursuant to Sports Law 10/1990 of October 15 and Royal Decree 1251/1999 of July 16 on Public Limited Sports Companies.

APPENDIX II
CONSOLIDATED BUDGET AND BUDGET SETTLEMENT FOR THE YEAR ENDED JUNE 30, 2019
(Thousands of euros)

	ACTUAL 2018/19	BUDGET 2018/19
CONTINUING OPERATIONS		
Revenue	**836,730**	**828,861**
Revenue from competitions	113,980	109,994
Revenue from season ticket holders and membership card holders	60,884	60,599
Revenue from TV broadcasts and TV rights	298,122	267,076
Revenue from marketing and advertising	363,331	391,192
Revenue from the rendering of services	413	-
Work performed by the entity and capitalized	**1,375**	**1,299**
Cost of sales	**(33,963)**	**(35,214)**
Consumption of sports equipment	(29,165)	(31,010)
Other consumables	(4,006)	(4,205)
Impairment of goods for resale, raw materials and other consumables	(792)	-
Other operating income	**15,441**	**11,083**
Ancillary income	14,895	10,302
Grants related to income	546	781
Employee benefits expense	**(541,920)**	**(512,061)**
Wages and salaries of sports personnel	(485,482)	(454,734)
Wages and salaries of non-sports personnel	(41,012)	(43,190)
Social security costs	(14,109)	(12,777)
Provisions	(1,317)	(1,360)
Other operating expenses	**(206,945)**	**(189,984)**
External services	(129,226)	(125,362)
Taxes	(5,485)	(5,364)
Losses on, impairment of and change in trade provisions	(1,450)	(1,802)
Impairment losses on trade receivables	(1,450)	(1,802)
Away matches	(11,428)	(10,713)
Player acquisition expenses	(2,823)	(846)
Other current management expenses	(56,533)	(45,898)
Depreciation and amortization	**(159,869)**	**(156,808)**
Grants related to non-financial assets and other grants	**109**	**109**
Impairment losses and gains (losses) on disposal of non-current assets	**103,172**	**87,333**
Impairment losses and losses	2,688	2,500
Impairment losses on intangible sporting assets	(26,311)	(31,190)
Impairment losses on property, plant and equipment	(36)	-
Reversal of impairment losses on intangible sporting assets	28,811	33,690
Reversal of impairment losses on property, plant and equipment	224	-
Gains (losses) on disposals	100,484	84,833
Losses on property, plant and equipment	(235)	-
Losses on intangible sporting assets	(210)	(38)
Gains on intangible sporting assets	100,930	84,871
Charges for the year and utilization of provisions	**3,412**	**(3,500)**
Charges of provisions	(3,313)	(3,500)
Utilization of provisions	6,725	-
OPERATING PROFIT/(LOSS)	**17,542**	**31,117**
Finance income	**1,478**	**612**
From marketable securities and other financial instruments	**1,478**	**612**
Of third parties	1,478	612
Finance costs	**(17,018)**	**(14,742)**
Third-party borrowings	(17,018)	(14,742)
Exchange gains (losses)	**139**	**(300)**
Exchange gains	363	250
Exchange losses	(225)	(550)
Impairment and gains (losses) on disposal of financial instruments	**1,416**	**(2,009)**
Gains on interest in financial assets	2,665	-
Losses on interest in financial assets	(1,248)	(2,009)
FINANCE COST	**(13,985)**	**(16,440)**
PROFIT/(LOSS) BEFORE TAX	**3,557**	**14,677**
Income Tax	970	(3,669)
Profit/(Loss) for the year from Continuing Operations	**4,527**	**11,008**
PROFIT/(LOSS) FOR THE YEAR	**4,527**	**11,008**

This appendix is an integral part of Note 23 to the consolidated financial statements.

APPENDIX II
BUDGET AND BUDGET SETTLEMENT FOR THE YEAR ENDED JUNE 30, 2018
(Thousands of euros)

	ACTUAL 2017/18	BUDGET 2017/18
CONTINUING OPERATIONS		
Revenue	**686,471**	**638,546**
Revenue from competitions	104,001	107,022
Revenue from season ticket holders and membership card holders	60,008	59,847
Revenue from TV broadcasts and TV rights	187,383	186,151
Revenue from marketing and advertising	335,079	285,526
Work performed by the entity and capitalized	**1,209**	**1,330**
Cost of sales	**(7,871)**	**(9,055)**
Consumption of sports equipment	(5,365)	(5,423)
Other consumables	(2,506)	(3,632)
Other operating income	**3,801**	**63,975**
Ancillary income	3,300	63,193
Grants related to income	501	782
Employee benefits expense	**(529,121)**	**(490,679)**
Wages and salaries of sports personnel	(480,947)	(443,079)
Wages and salaries of non-sports personnel	(35,520)	(33,834)
Social security costs	(11,631)	(12,498)
Provisions	(1,022)	(1,267)
Other operating expenses	**(190,293)**	**(189,656)**
External services	(122,690)	(119,226)
Taxes	(4,771)	(5,202)
Losses on, impairment of and change in trade provisions	(1,746)	(1,250)
Impairment losses on trade receivables	(1,947)	(1,250)
Reversal of impairment losses on trade receivables	200	-
Away matches	(9,195)	(10,305)
Player acquisition expenses	(848)	(808)
Other current management expenses	(51,042)	(52,864)
Depreciation and amortization	**(132,441)**	**(124,380)**
Grants related to non-financial assets and other grants	**139**	**109**
Overprovisions	**2,965**	**-**
Impairment losses and gains (losses) on disposal of non-current assets	**205,362**	**188,593**
Impairment losses and losses	(2,500)	-
Impairment losses on intangible sporting assets	(12,042)	(2,628)
Reversal of impairment losses on intangible sporting assets	9,542	2,628
Gains (losses) on disposals	207,862	188,593
Losses on property, plant and equipment	(42)	-
Gains on property, plant and equipment	127	-
Losses on intangible sporting assets	(1,413)	(1,353)
Gains on intangible sporting assets	209,189	189,946
Charges for the year and utilization of provisions	**(8,198)**	**(47,150)**
Charges of provisions	(8,463)	(47,150)
Utilization of provisions	264	-
OPERATING PROFIT/(LOSS)	**32,023**	**31,635**
Finance income	**715**	**85**
From marketable securities and other financial instruments	**715**	**85**
Of third parties	715	85
Finance costs	**(10,100)**	**(1,453)**
Third-party borrowings	(10,100)	(1,453)
Exchange gains (losses)	**(352)**	**(60)**
Exchange gains	345	420
Exchange losses	(697)	(480)
Impairment and gains (losses) on disposal of financial instruments	**(2,138)**	**(2,881)**
Losses on interest in financial assets	(2,138)	(2,881)
FINANCE COST	**(11,875)**	**(4,309)**
PROFIT/(LOSS) BEFORE TAX	**20,148**	**27,326**
Income Tax	(7,218)	(6,632)
PROFIT/(LOSS) FOR THE YEAR	**12,930**	**20,695**

This appendix is an integral part of Note 23 to the consolidated financial statements.

Futbol Club Barcelona and subsidiaries

Consolidated management report for the year ended
June 30, 2019

Operating income

For the second consecutive season operating income has been over 900 million euros, and 2018/19 revenue has reached an all-time high in the Club's history, amounting to 990,339 thousand euros, almost 1,000 million euros.

The three areas -Business, Stadium, Media and Marketing- have grown to the extent that the significant decrease in revenue from the sale of players could be offset, as in the prior season there was a non-recurring income of nearly 190 million euros due to the sale of the player Neymar Jr.

In the Stadium area, average attendance to Camp Nou has increased by 9% in comparison with the prior season, which has led to a 16% increase in gate money over the prior season, with notable increases in La Liga matches (+24%) and Champions League matches (+72%), as in the latter case one more game was played because the Club reached the semifinals. This increase has occurred despite the fact that the Spanish Supercup match organized by the Spanish Soccer Association (RFEF) was not held at Camp Nou this season, which damaged gate money.

In the Media area, the increase in revenue has been due to the coming into effect of the new agreement with UEFA, which meant an improvement in the amount received by Clubs taking part in the Champions League. For the Club, this increase has been over 60 million euros, as a result of the new distribution scheme and the participation in the semifinals, which means one further round than last year.

In the Marketing area, direct store management through the subsidiary Barça Licensing & Merchandising, S.L. has generated revenue of 61,440 thousand euros. Last season, the Club's revenue from the share in the profit of the company that had been granted the commercial operation amounted to 13,186 thousand euros. Revenue from sponsors has increased by 10.2% as a result of the agreements with Beko, Nike, Damm and the new sponsor of the women's soccer team, Stanley Black & Decker.

Non-sports investments

During the current season the Club has invested 67,927 thousand euros, of which 50,679 thousand euros correspond to the Espai Barça project. The Club has invested in improvements in Les Corts in the Center for Documentation and in office accommodation and improvement. Investments to improve the Ciutat Esportiva have also been made, mainly to keep the fields in ideal conditions, and also in new development aspects and in equipment for other sports. As for Information Technologies, the Club has improved its website and apps, and internal operating systems.

Investments in Espai Barça have mainly focused on the construction of the Johan Cruyff Stadium in the Ciutat Esportiva and the performance of preliminary work in Les Corts area, and other investments have also been made in order to meet the requirements established in the MPGM.

The equity soundness of the Club continues to increase as a result of the investments made to improve our facilities and assets.

Registration rights and sales of players

During the 2018/2019 season the registration rights of the following players have been mainly acquired: Arthur, Lenglet, Arturo Vidal and Malcom (as well as De Jong and Neto, who will be part of the 2019/20 first team squad). These acquisitions, together with other goal-related variables, have resulted in a total aggregate investment of 324,136 thousand euros. Additionally, the Club has sold players for an amount of 220,648 thousand euros (Cillessen, Paulinho, Yerry Mina, André Gomes, Paco Alcácer, Lucas Digne and Denis Suárez, among others). The Club's season can be described as exceptional also in this chapter, as in the prior year, because of both the amount of investments and income obtained from the sale of players.

Sports employee benefits expense over operating income

Sports employee benefits expense continue to be affected by the recent changes in the sector. Inflation in the soccer market has affected the acquisition cost of players and the cost of new contracts and renewals.

Despite this, salaries expense for sports personnel in accordance with the ratio defined by the LFP, which considers wage costs net of amortization over relevant operating income, is 48% and is clearly below the maximum ratio of compliance, which is set at 70%.

EBITDA and Net Debt

Consolidated earnings before interest, tax, depreciation and amortization (EBITDA) for the current 2019/2018 season have amounted to 179,267 thousand euros, which for the second consecutive year is an all-time high in the Club's history.

Consolidated net debt amounts to 217,204 thousand euros at June 30, 2019. Net debt, excluding the funding of non-recurring property, plant and equipment investment projects (Espai Barça), as established in article 67 of the Club's By-laws, amounts to 137,043 thousand euros. Consequently, consolidated net debt over EBITDA ratio set in the above article has been 0.76, well below the maximum allowed, which is established at 2.00.

Profit / (loss) for the year

Consolidated profit before tax amounts to 3,556 thousand euros and profit after tax amounts to 4,527 thousand euros. These results mean that the Club has been obtaining profit for the last eight years, reaching positive consolidated capital and reserves of 130,184 thousand euros and total consolidated equity of 132,606 thousand euros.

Research and development

During the current season the Club has carried out research and development activities in IT and sports science.

Information on the average payment period to suppliers

At June 30, 2019 the average payment period to suppliers is 73 days. The balances with Sporting Entities and Assets Suppliers are settled in accordance with the agreements signed by the parties, and thus, the legal deadline established for trade transactions can be exceeded.

Subsequent events

Subsequent to June 30, 2019 no transactions or events have occurred which may have an effect on the reading of these consolidated financial statements, except for that explained in Note 5 to the consolidated financial statements.

AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR ISSUE

The consolidated financial statements for the season ended June 30, 2019, which have been drawn up on government-issued stamped paper sequentially numbered up to this sheet and comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto, Appendices I and II to the Notes and the consolidated management report, were authorized for issue by the Board of Directors on July 19, 2019.

· CONTEC NOW
· WÜRTH ELEKTRONIK ESPAÑA
· HELTEX SUNDECOR
· TRAVEL CONNECTION SPAIN SL
· PERFIL STAR SA
· CODERE
· FOOTY LEGEND
· HUAWEI
· EPICENTR K
· MSC - MEDITERRANEAN SHIPPING COMPANY
· EVENTS AND TRAVEL BARCELONA - E8TB GROUP
· CONSOLID ARGENTINA
· MERCHANSERVIS
· NEP BROADCAST SERVICES SPAIN SLU
· THUY THI THANH TRUONG
· GFT IT CONSULTING, S.L.
· ABR SERVICES-SARL DISTRI CHAPE
· EUROLEAGUE
· NECTAR SPORTS
· OTHER DIRECTION
· LABORATORIOS HIPRA
· CMP GROUP - ALTIMA MARKETING
· FR- MEYER'S SOHN
· IVS IBERICA
· SCHINDLER S.A.
· PLYZER
· LABORATORIOS RAYT SA
· SALVADOR TORRAS
· ALFIL LOGISTICS
· GRUPO URIACH
· KERN PHARMA S.L.
· INOXFORMA
· LC PACKAGING
· METALQUIMIA
· ASCENSORES GALO - GRUPO ORONA
· SORIGUE
· ACCORD HEALTHCARE, S.L.U.
· SR. XAVIER ROSSINYOL
· HOTEL PROVENZA 279, S.L. - PRAKTIK HOTELS
· FI GROUP (ANTIC F INICIATIVAS)
· GRUPO ALDESA
· GASSO EQUIPMENTS S.A
· GRAMMER - RAFAEL DILOY
· CCIB
· NAUTALIA VIAJES SL
· SUMMIT CAPITAL SL (ORIENCE INTERNATIONAL)
· GRUP CAÑIGUERAL
· CGM PARTNERS- CRYO INOX SL
· GVC SERVICES LTD
· AB INBEV
· TRAVEL CLICK
· REALE SEGUROS
· ROCA SANITARIS
· GRUPO SABICO
· HCC GLOBAL (TOKIO MARINE EUROPE S.A.)
· AVINENT
· CIPSA
· ELION
· AUBAY, S.A.U.
· AGGITY
· COSCO SHIPPING LINES SPAIN S.A.
· COS SERVEIS INFORMÀTICS
· SPORT RT Y DON BALON VIAJES
· BIOSYSTEMS
· STARK EMPIRE
· GIBRO CORPORATE MANAGEMENT LIMITED
· MANOR PACK
· BRITISH AMERICAN TOBACCO
· BARCELONA PROJECT'S
· EUROFRED, S.A
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· SERIGRAFIA PORTAL SL
· IBERENT TECHNOLOGY SA
· ESMALTADO DE ENVASES, SL
· KIROLBET APUESTAS DEPORTIVAS
· MATIC SA
· INFINITY MEDIA COMMUNICATIONS, SL
· MB'92
· NOATUM MARITIME
· KASPERSKY
· BUFFETE LIBRE LA JONQUERA
· MESOESTETIC PHARMA GROUP
· DOMINION
· ONE FOR ALL IBERIA
· ARAMARK SERVICIOS DE CATERING SLU
· DISBESA
· MAHOU SAN MIGUEL
· AHMED STAMBOULI
· OSBORNE CLARKE
· RACC
· SERUNION
· SURIS SL
· FEDEX - BUTRAGUEÑO 8 BOTTLANDER S.L.
· CELLNEX TELECOM
· TRANSPORTES Y CONSIGNACIONES MARÍTIMAS
· AUTO PARTS IMPORT
· LOGICALIS SPAIN
· ROBERLO
· POLLI CONSTRUCTION
· GESTAMP AUTOMOCIÓN
· LLUCH ESSENCE, S.L.
· ILUMINACION DISANO
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· IVASCULAR
· GRAFIQUES VARIAS - COMERCIAL ARQUE
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· SOLER 8 PALAU
· FCC AQUALIA
· FCC CONSTRUCCIÓN
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· AGBAR
· SANITAS
· OSA HANDLING
· INVERNANDEZ S.L
· NICE PEOPLE AT WORK
· FUTURECO BIOSCIENCE
· EVERIS
· AUTODESK
· CATERING BUFFET LA JONQUERA, S.L.U.
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· BANC SABADELL
· EURODETACH HOLLAND
· ALMAQUIM SA
· GRUPO GRIFOLS - MOVACO
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· EUROFRAGANCE
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· BOOKURSTAR EGYPT S.A.E
· COFIDIS
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· JC DECAUX
· JR. INVESTMENTS ROS SL
· SKEYNDOR
· BEDDING INDUSTRIAL BEGUDÀ
· MAT HOLDING
· WILLIAM HILL
· MAYSTAR
· AIMSUN
· GRUPO EULEN
· BLACK HAT
· BERESOR
· BANC SABADELL
· AF SPORT
· CUGAT
· VALLBANC
· DABEER
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· HIS WORLD
· EXCAVACIONS DUOCASTELLA
· CELLER DE CAPÇANES
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· RED ARBOR
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· NEOLITH DISTRIBUTION SL
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· PATATAS FRITAS TORRES SL
· HAVAS MEDIA PLANNING

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