



**AKUNTANSI ASET TIDAK BERWUJUD
(PENGAKUAN, PENGUKURAN PENGUNGKAPAN, DAN
PENYAJIAN PEMAIN SEPAK BOLA DALAM LAPORAN
KEUANGAN TIM MANCHESTER UNITED)**

SKRIPSI

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**PROGRAM STUDI STRATA SATU AKUNTANSI
FAKULTAS EKONOMI DAN BISNIS
UNIVERSITAS JEMBER**

2018



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diajukan guna melengkapi tugas akhir dan memenuhi salah satu syarat
untuk menyelesaikan Program Studi Akuntansi (S1)
dan mencapai gelar Sarjana Ekonomi

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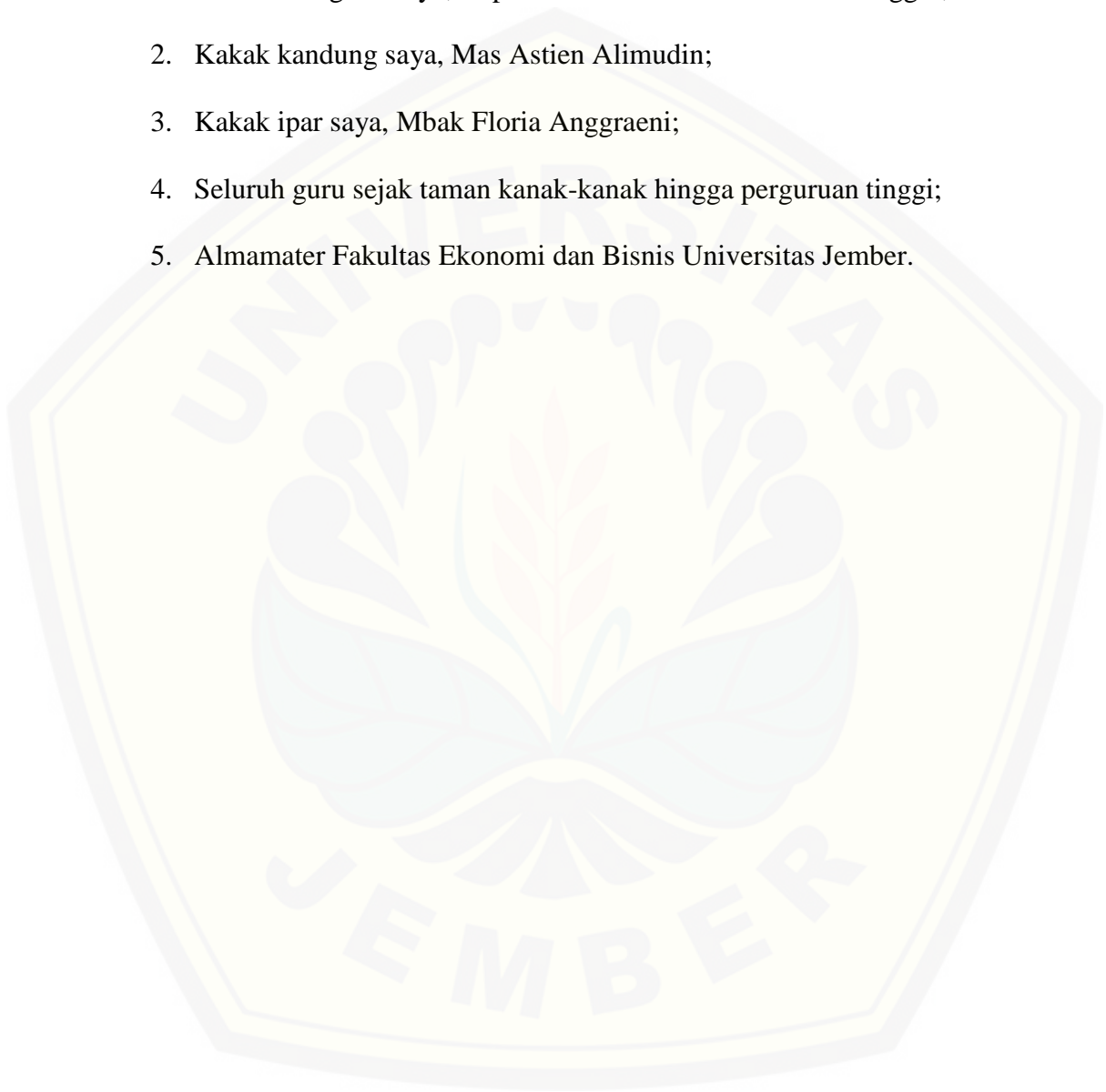
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UNIVERSITAS JEMBER**

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PERSEMBAHAN

Skripsi ini saya persembahkan untuk:

1. Kedua orang tua saya, Bapak Darno dan Ibu Lilik Sri Pinanggih;
2. Kakak kandung saya, Mas Astien Alimudin;
3. Kakak ipar saya, Mbak Floria Anggraeni;
4. Seluruh guru sejak taman kanak-kanak hingga perguruan tinggi;
5. Almamater Fakultas Ekonomi dan Bisnis Universitas Jember.



MOTTO

“Bacalah dengan (menyebut) nama Tuhanmu yang menciptakan.”

(QS. Al ‘Alaq [96]: 1)

“Manusia tidak diwajibkan untuk menang, sehingga kalah pun tidak berdosa, yang terpenting adalah manusia tersebut berjuang.”

(Emha Ainun Nadjib)

“You have your way. I have my way. As for the right way, the correct way, and the only way, it does not exist.”

(Frederich Nietzsche)

PERNYATAAN

Saya yang bertanda tangan di bawah ini:

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menyatakan dengan sesungguhnya bahwa karya ilmiah yang berjudul “Akuntansi Aset Tidak Berwujud (Pengakuan, Pengukuran, Pengungkapan, dan Penyajian Pemain Sepak Bola dalam Laporan Keuangan Tim Manchester United” adalah benar-benar hasil karya sendiri, kecuali kutipan yang sudah saya sebutkan sumbernya, belum pernah diajukan pada institusi mana pun, dan bukan karya jiplakan. Saya bertanggung jawab atas keabsahan dan kebenaran isinya sesuai dengan sikap ilmiah yang harus dijunjung tinggi.

Demikian pernyataan ini saya buat dengan sebenarnya, tanpa ada tekanan dan paksaan dari pihak mana pun serta bersedia mendapat sanksi akademik jika ternyata di kemudian hari pernyataan ini tidak benar.

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**AKUNTANSI ASET TIDAK BERWUJUD
(PENGAKUAN, PENGUKURAN PENGUNGKAPAN, DAN
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ABSTRAK

Penelitian ini bertujuan untuk mengetahui kesesuaian perlakuan akuntansi berupa pengakuan, pengukuran, pengungkapan, dan penyajian pemain sepak bola klub Manchester United PLC dengan IAS 38 tentang aset tidak berwujud. Penelitian ini dilakukan dengan harapan dapat membantu klub profesional di Indonesia untuk menerapkan IAS 38 dalam laporan keuangan terkait pelaporan pemain-pemainnya karena pemain bola saat ini tidak hanya dieksploitasi selayaknya mesin. Manusia merupakan sumber daya yang memiliki kriteria khusus dalam penilaiannya. Penelitian ini merupakan penelitian kualitatif dengan metode studi kasus mikroetnografi. Data yang digunakan adalah data sekunder diperoleh langsung dari situs resmi klub Manchester United yang tersedia di internet. Uji Keabsahan Data menggunakan teknik triangulasi sumber. Hasil penelitian menunjukkan bahwa penerapan prinsip akuntansi aset tidak berwujud terkait perlakuan akuntansi pemain sepak bola dalam laporan keuangan klub Manchester United PLC sesuai dengan IAS 38 yang berlaku umum namun tetap terdapat beberapa perbedaan seperti tidak terperinci besarnya kontrak pemain. Hal ini tidak terlalu berdampak pada kualitas laporan keuangan Manchester United PLC karena secara umum, laporan keuangan tersebut telah sesuai dengan standar yang dikeluarkan IASB sehingga dapat dipertanggungjawabkan.

Kata kunci : Aset Tidak Berwujud, IAS 38, Sumber Daya Manusia, Manchester United PLC.

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ABSTRACT

This study aims to determine the suitability of accounting treatment in the form of recognition, measurement, disclosure, and presentation of football players Manchester United club with IAS 38 on intangible assets. This research was conducted in the hope of helping professional clubs in Indonesia to apply IAS 38 in their financial reporting related reports because the footballers are currently not just exploited as machines. Humans are resources that have specific criteria in their judgment. This research is a qualitative research with microetnography case study method. The data used is secondary data obtained directly from the official website of Manchester United club available on the internet. Test Data Validity using source triangulation techniques. The results show that the application of the intangible asset accounting principles related to the accounting treatment of football players in the financial statements of Manchester United PLC clubs in accordance with the generally accepted IAS 38 but still there are some differences such as the lack of details of contract players. This has little impact on the quality of Manchester United PLC financial statements as generally, the financial statements are in conformity with the standards issued by the IASB to be accountable.

Keywords: Intagible Fixed Assets, Human Resource, IAS 38, Manchester United PLC.

RINGKASAN

Akuntansi Aset Tidak Berwujud (Pengakuan, Pengukuran, Pengungkapan, dan Penyajian Pemain Sepak Bola dalam Laporan Keuangan Tim Manchester United); Fajar Surya Dharma 140810301161; 2018; 143 halaman; Jurusan Akuntansi Fakultas Ekonomi dan Bisnis Universitas Jember.

Perekonomian dunia sejak di ditemukannya internet mengalami perkembangan yang sangat luar biasa. Jual beli tidak hanya terbatas pada satu wilayah kecil atau satu lingkup kecil, namun sekarang transaksi itu semakin meluas tanpa mengenal lagi kata jarak. Pemilik cafe di kota London kini bisa langsung bermitra dengan petani kopi yang ada di Brazil yang mana merupakan negara penghasil kopi terbaik di dunia. Perekonomian yang berkembang mengakibatkan makin kompetitifnya persaingan antar perusahaan sehingga menuntut mereka untuk dapat memiliki keunggulan kompetitif dan keunggulan khusus sehingga tetap dapat bertahan hidup dalam kondisi lingkungan yang tidak dapat diprediksi (Anatan & Ellitan, 2009).

Sebuah perusahaan atau organisasi tidak akan lepas dari manajemen, baik manajemen secara umum maupun manajemen yang spesifik. Ketika manajemen yang dibentuk telah melalui kualifikasi terbaik namun karyawan atau sumber daya manusia yang dimiliki tidak mampu bersaing dengan kemajuan teknologi dan kebutuhan akan suatu ilmu atau pengetahuan, maka perusahaan tidak akan mengalami kemajuan bisnis yang berarti. Sumber daya manusia mempunyai peran yang sangat besar bagi sebuah organisasi atau perusahaan. Sumber daya manusia adalah salah satu elemen yang penting dalam organisasi. Kualitas sumber daya manusia yang dimiliki oleh organisasi akan menentukan kemampuan organisasi dalam mencapai tujuannya (Mulyadi, 2016).

Pemahaman yang cepat terhadap pergerakan industri menuntut banyak perusahaan merombak sistem dan sumber daya manusia yang ada secara bertahap. Hal tersebut juga diiringi dengan munculnya sebuah pola (*pattern*) bisnis berbasis skill mengiringi pola industri berbasis pengetahuan (*knowledge base*), salah satunya yaitu olahraga, terutama sepak bola. Satu hal yang harus digarisbawahi adalah sepak bola bukan lagi sekedar olahraga. Sepak bola bisa menjadi alat untuk memahami seluk-beluk dunia kontemporer yang dilanda segala dampak arus globalisasi (Foer, 2017: 1).

Sepak bola adalah suatu olahraga yang mempunyai banyak penggemar di belahan dunia. Bahkan sepak bola bukan hanya sekedar olahraga akan tetapi juga mampu membawa permasalahan di bidang-bidang kehidupan, di Brazil, sepak bola dapat menjadi salah satu bidang kehidupan bagi sebagian masyarakatnya hal itu dilakukan untuk mengangkat taraf perekonomiannya karena negara Brazil memang

mempunyai tingkat kemiskinan yang cukup tinggi. Kemudian di Spanyol dan Italia, sepakbola adalah politik (Chandra, 2012). Sepak bola dulu adalah adu gengsi dari kubu yang bersebrangan, mereka mencari kemenangan untuk mendapatkan kepuasan bukan hanya menjuarai kompetisi.

Sejak sepak bola modern dikenal pun, sejarah menunjukkan bagaimana olahraga permainan antar sebelas orang begitu populer. Label menguatnya sepak bola tak lain karena *Centre National de la Recherche Scientifique* sebuah pusat penelitian ilmiah nasional dari Perancis, mengungkapkan ada dua cara menjelaskan mengapa olahraga ini begitu mendunia. Pertama, sepak bola merupakan salah satu contoh dari unit kecil bagi sebuah perusahaan, organisasi, bahkan negara tentang bagaimana seharusnya sebuah kelompok bekerja. Kedua, olahraga ini menjadi populer karena para pendukungnya dapat mengidentifikasi diri dalam tim kesayangannya.

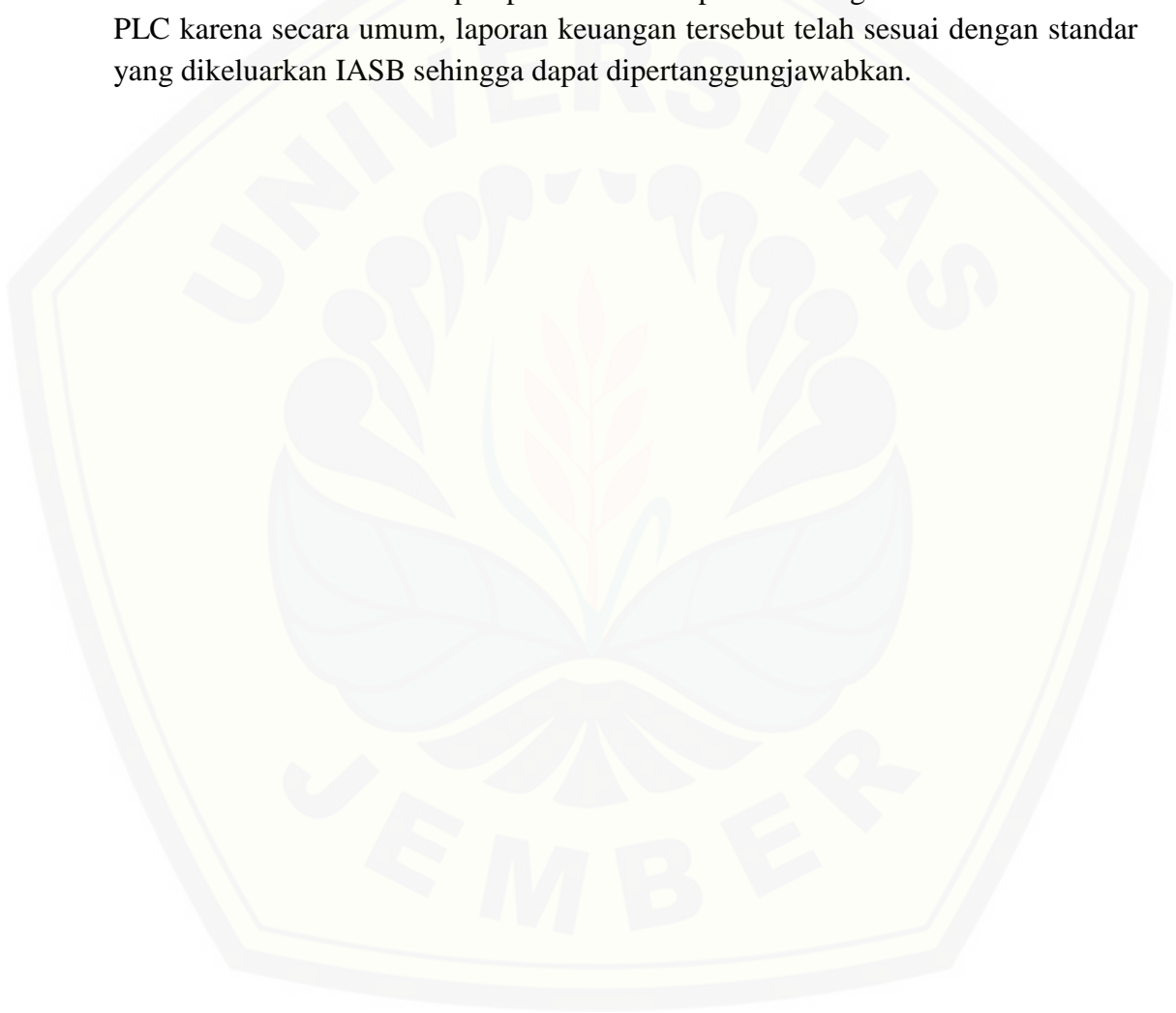
Sepak bola kini dapat dinikmati di setiap akhir pekan. Orang-orang rela mengeluarkan biaya berlebih hanya untuk melihat timnya bertanding. Mereka menikmati pertandingan sepak bola yang jaraknya ribuan kilometer dari tempat mereka tinggal. Untuk sepak bola di kawasan Eropa terutama lima liga besar (Inggris, Spanyol, Italia, Jerman, dan Perancis) sepak bola telah menjadi industri bisnis. Klub-klub memperbaiki fasilitas stadion, memberian kemudahan akses bagi pendukung, melakukan penjualan *merchandise*, semata-mata untuk menarik minat pendukung. Klub-klub ini memanfaatkan besarnya dukungan yang diterima dari fans untuk mendatangkan pemain-pemain baru sehingga mampu menjuarai kompetisi.

Tim sepak bola di Eropa sana telah berbentuk menjadi perusahaan publik yang profesional (*public limited company*), perusahaan yang mana kepemilikannya dimiliki oleh publik atau umum dan tidak menutup kemungkinan dimiliki oleh pendukung tim. Tim-tim besar di Eropa seperti Manchester United yang memiliki pasokan uang yang melimpah di samping membina pemain-pemain di akademi dari berbagai level usia pasti mendapatkan tuntutan dari pendukungnya untuk menunjukkan penampilan terbaik dan memenuhi hasrat juara. Demi memenuhi permintaan yang banyak itu kadang kala mereka tidak ragu mengeluarkan ratusan juta euro untuk mendapatkan pemain dan pelatih berkualitas (Devi, 2004).

Anani (2015) menyebutkan bahwa praktik pelaporan keuangan selama ini, sering kali mengabaikan informasi penting yaitu informasi tentang sumber daya manusia sebagai suatu aset (*human assets*) dan perlakuan akuntansi konvensional terhadap pengeluaran untuk sumber daya manusia selalu dianggap sebagai beban. Berbeda dengan pengakuan pemain sepak bola dalam laporan posisi keuangan tim-tim sepak bola di Inggris seperti Manchester United apabila dibayangkan nilai untuk memperoleh pemain bola tersebut diperlakukan sebagai beban dalam *income statement* hal ini menjadikan nilai aset dari tim sepak bola dalam laporan posisi

keuangan tidak sesuai dengan nilai yang sebenarnya, bukanlah manusia secara utuh yang disebut sebagai aset, namun kemampuan jasa yang dimiliki oleh manusia yang tersedia dan sesuai dengan kebutuhan perusahaan yang dibandingkan dengan aset.

Hasil penelitian menunjukkan bahwa penerapan prinsip akuntansi aset tidak berwujud terkait perlakuan akuntansi pemain sepak bola dalam laporan keuangan klub Manchester United sesuai dengan IAS 38 yang berlaku umum namun tetap terdapat beberapa perbedaan seperti tidak terperinci besarnya kontrak pemain. Hal ini tidak terlalu berdampak pada kualitas laporan keuangan Manchester United PLC karena secara umum, laporan keuangan tersebut telah sesuai dengan standar yang dikeluarkan IASB sehingga dapat dipertanggungjawabkan.



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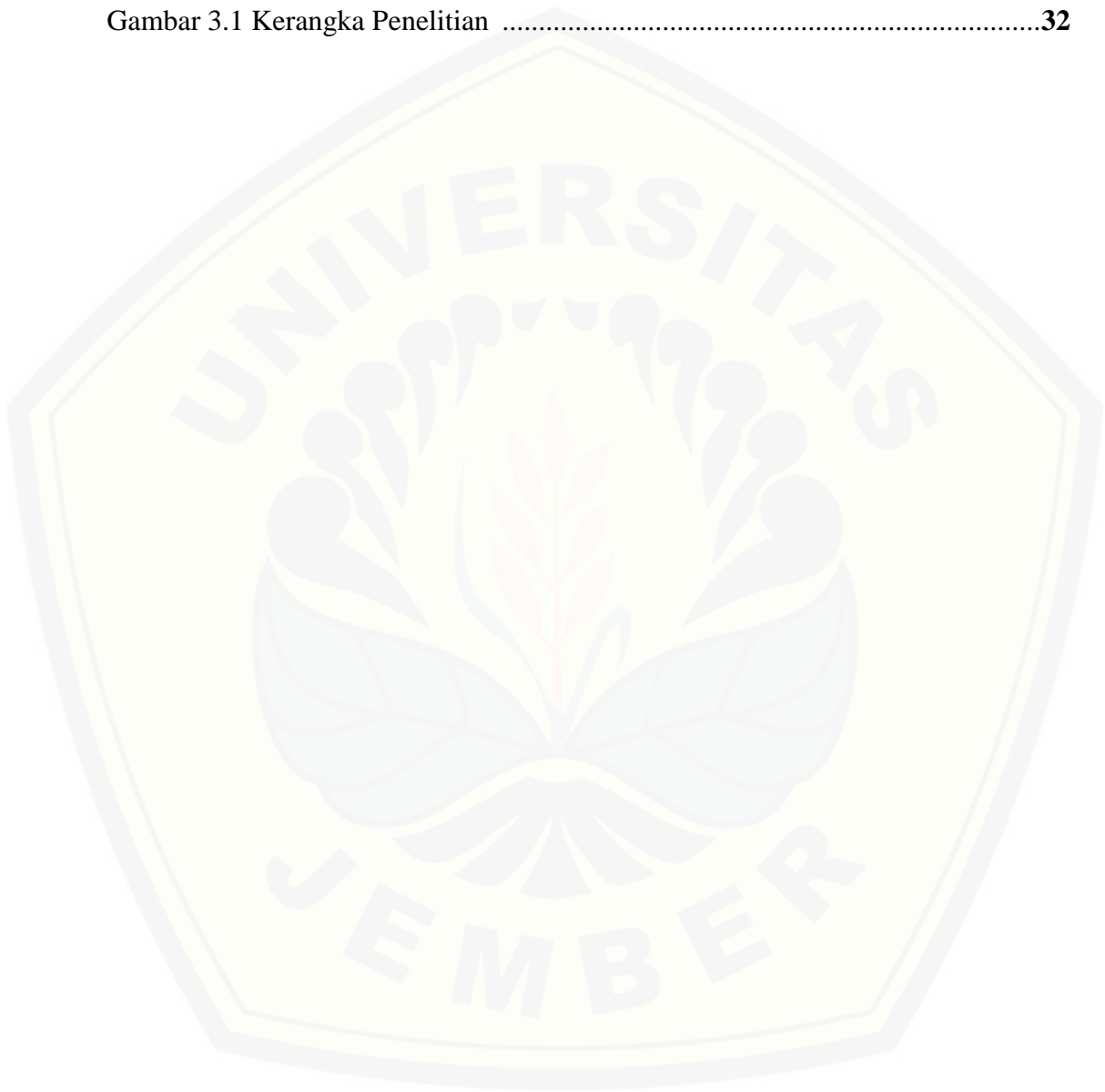
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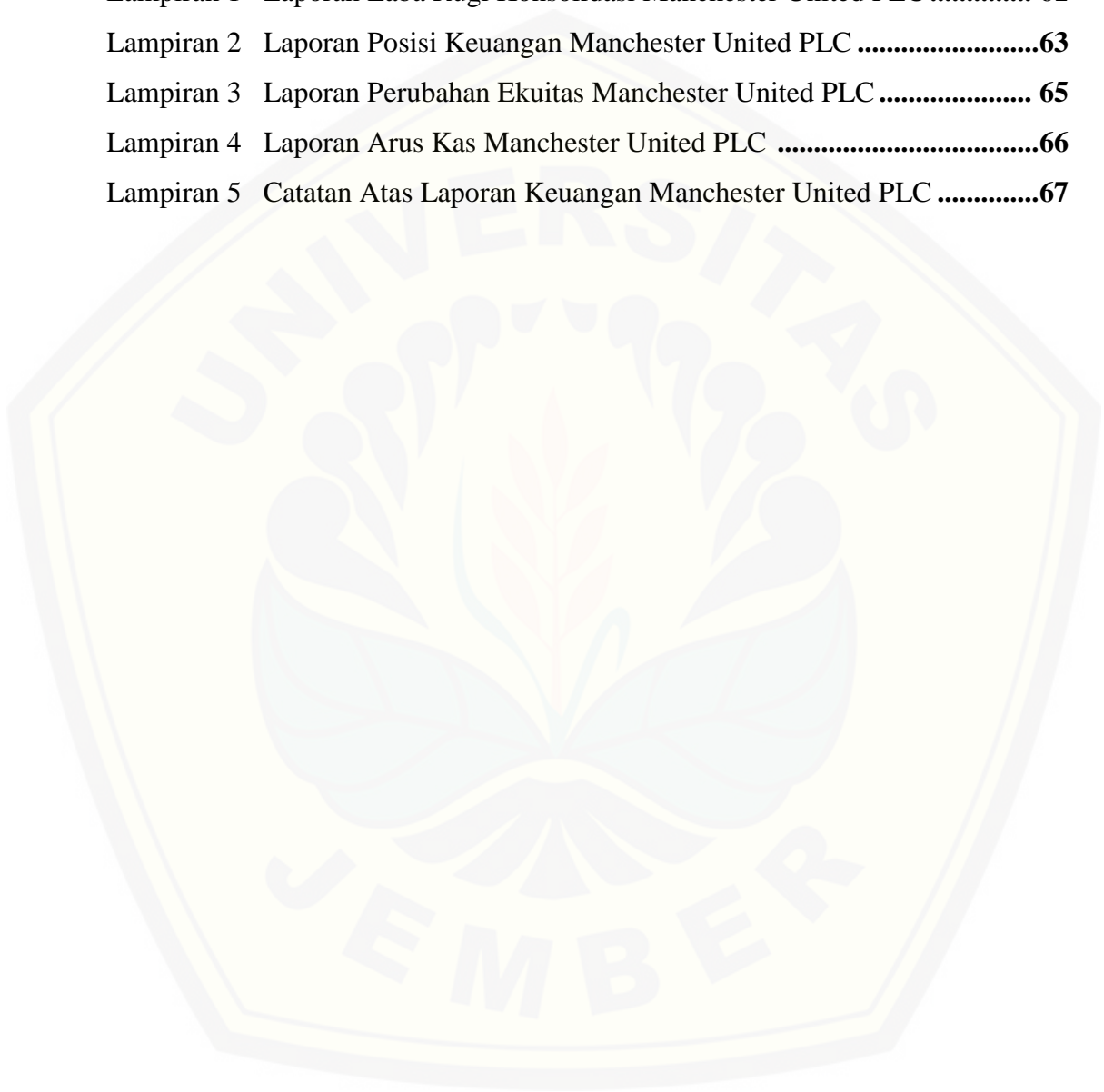
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BAB 1 PENDAHULUAN

1.1 Latar Belakang

Dampak dari arus globalisasi telah meluas hampir ke seluruh penjuru dunia. Globalisasi lebih banyak dipicu oleh tingginya tingkat pendidikan dan kemampuan sumber daya manusia. Mulai dari ekonomi, sosial, politik, budaya, dan lain sebagainya. Dunia bisnis adalah contoh lain dari bidang yang terkena dampak arus globalisasi. Bisnis yang berkembang menimbulkan efek domino bagi pelaku di dalamnya berupa dampak positif maupun dampak negatif seperti terbukanya lapangan pekerjaan, kesenjangan ekonomi, dan lain-lain. Perusahaan dalam pusran dunia bisnis kini bersaing dalam kondisi persaingan pada keadaan yang makin kompetitif, dinamis, dan tidak pasti. Persaingan dan perubahan yang terjadi menuntut perusahaan untuk mampu beradaptasi dengan perubahan dan perkembangan yang terjadi melalui pengelolaan perusahaan, khususnya yang terkait dengan isu persaingan global (Anatan & Ellitan, 2009).

Perekonomian yang berkembang mengakibatkan makin kompetitifnya persaingan antar perusahaan sehingga menuntut mereka untuk dapat memiliki keunggulan kompetitif dan keunggulan khusus sehingga tetap dapat bertahan hidup dalam kondisi lingkungan yang tidak dapat diprediksi (Anatan & Ellitan, 2009). Sebuah perusahaan atau organisasi tidak akan lepas dari manajemen, baik manajemen secara umum maupun manajemen yang spesifik. Banyak perusahaan yang awalnya jaya tetapi dengan perjalanannya yang kurang baik dalam mengatur perusahaan kemudian perusahaan tersebut mengalami kerugian, bahkan kebangkrutan. Sumber daya manusia mempunyai peran yang sangat besar bagi sebuah organisasi atau perusahaan. Sumber daya manusia adalah salah satu elemen yang penting dalam organisasi. Kualitas sumber daya manusia yang dimiliki oleh organisasi akan menentukan kemampuan organisasi dalam mencapai tujuannya (Mulyadi, 2016).

Terkait sumber daya manusia dalam suatu organisasi, perkembangan terbaru memandang sumber daya manusia bukan sebagai sumber daya belaka, melainkan lebih berupa modal atau aset bagi institusi atau organisasi. Di sini perspektif sumber

daya manusia sebagai investasi bagi institusi atau organisasi lebih mengemuka. Sumber daya manusia saat ini sebaiknya tidak hanya dianggap sebagai salah satu faktor produksi yang dapat dieksplotasi sebagaimana mesin karena sumber daya manusia memiliki karakteristik yang berbeda. Berdasar hal tersebut, maka sumber daya manusia memegang nilai yang sangat penting dalam manajemen keorganisasian. Kualitas sumber daya manusia menjadi salah satu indikator penting untuk menentukan keberhasilan pencapaian tujuan suatu entitas. Karakteristik yang menjadikan berbeda adalah karena secara kodrati sumber daya manusia memiliki daya pikir dan daya fisik yang dimiliki oleh seorang manusia (Warno, 2011).

Tidak hanya berkuat dalam lingkup bisnis seperti disebutkan di atas, dampak arus globalisasi juga masuk dalam dunia politik, sosial, dan budaya sebuah bangsa. Hal tersebut juga diiringi dengan munculnya sebuah pola (*pattern*) bisnis berbasis skill mengiringi pola industri berbasis pengetahuan (*knowledge base*), salah satunya yaitu olahraga sepak bola. Satu hal yang harus digarisbawahi adalah sepak bola bukan lagi sekedar olahraga. Sepak bola bisa menjadi alat untuk memahami seluk-beluk dunia kontemporer yang dilanda segala dampak arus globalisasi (Foer, 2017: 1).

Dampak arus globalisasi yang memengaruhi dunia kontemporer saat ini tercermin dari bagaimana sepak bola menjadikan pendukung dari sebuah tim sepak bola asal Serbia, Red Star sebagai alat untuk menyingkirkan kaum Muslim dan bangsa Kroasia. Terdapat pula penjelasan tentang sepak bola yang pernah menjadi jembatan bagi kaum Protestan di kota Glasgow, Skotlandia untuk menyingkirkan penganut Katolik yang bermigrasi dari berbagai penjuru dunia ke Glasgow melalui perseteruaan dua tim sepak bola dari satu kota yang diwakili oleh Rangers dan Celtic (Foer, 2017: 31).

Sepak bola adalah suatu olahraga yang mempunyai banyak penggemar di belahan dunia manapun. Bahkan sepak bola bukan hanya sekedar olahraga akan tetapi juga mampu membawa permasalahan di bidang-bidang kehidupan, di Brazil, sepak bola dapat menjadi salah satu bidang kehidupan bagi sebagian masyarakatnya hal itu dilakukan untuk mengangkat taraf perekonomiannya karena

negara Brazil memang mempunyai tingkat kemiskinan yang cukup tinggi. Kemudian di Spanyol dan Italia, sepakbola adalah politik. Di Inggris sepak bola adalah adu gengsi kelas menengah bawah yang diwakili oleh pekerja atau buruh (kaum proletar) dengan kelas menengah atas (kaum borjuis) (Chandra, 2012).

Sejak sepak bola modern dikenal pun, sejarah menunjukkan bagaimana olahraga permainan antar sebelas orang begitu populer. Label menguatnya sepak bola tak lain karena *Centre National de la Recherche Scientifique* sebuah pusat penelitian ilmiah nasional dari Perancis, mengungkapkan ada dua cara menjelaskan mengapa olahraga ini begitu mendunia. Pertama, sepak bola menggambarkan apa yang seharusnya dilakukan oleh sebuah tim, lembaga, organisasi, bahkan sebuah negara, jika ingin sukses di era sekarang. Yakni, sebuah kombinasi dari kerja individu dan tim, keberuntungan, sedikit cara-cara *tricky*, dan keberpihakan wasit yang biasanya berurusan dengan hukum dan penguasa. Kedua, olahraga ini menjadi populer karena seluruh komunitas, kota, bahkan negara dapat mengidentifikasi diri mereka ke dalam tim kesayangannya. Dengan demikian, sepak bola telah menjadi referensi internasional dalam budaya global serta melewati sudut pandang perbedaan wilayah, negara, dan generasi (Natakusumah, 2008).

Industri yang telah memasuki dunia sepak bola tentu saja bukan kabar berlebihan mengingat pernyataan tersebut didukung oleh banyak bukti. Seperti pertandingan sepak bola tiap pekannya kini tidak hanya ramai oleh penonton yang berbondong-bondong menuju stadion, ada pula pemirsa (untuk membedakan dengan penonton) yang tidak mampu dan tidak cukup biaya pergi ke stadion sehingga mereka memasang televisi yang secara khusus menyiarkan pertandingan sepak bola. Mereka rela mengeluarkan biaya demi menikmati sepak bola yang peristiwanya memiliki jarak ribuan kilometer dari tempat mereka berada (Devi, 2004).

Sebuah fenomena yang umum sekarang mengenai fakta permainan sepak bola lebih digemari dibandingkan dengan tontonan lainnya. Hal ini dibuktikan data statistik FIFA (*Fédération Internationale de Football Association*) mencatat bahwa turnamen Piala Dunia sepak bola yang diselenggarakan pada tahun 2014 di Brasil

menjadi permainan olahraga yang paling banyak menarik perhatian masyarakat dunia di tahun itu. Penonton pertandingan yang datang langsung ke stadion hampir 3,4 juta orang (Anani, 2015).

Sepak bola di negara-negara Eropa, terutama lima kompetisi terbesar (Inggris, Jerman, Italia, Spanyol, dan Prancis) telah menjadi industri bisnis. Tim sepak bola di sana telah berbentuk sebagai perusahaan publik, perusahaan yang mana kepemilikannya dimiliki oleh publik atau umum dan tidak menutup kemungkinan dimiliki oleh pendukung tim. Tim-tim besar di Eropa seperti Manchester United, Real Madrid, dan Barcelona selain membina pemain-pemain di akademinya dari berbagai level usia juga mendapatkan tuntutan dari pendukungnya untuk menunjukkan penampilan terbaik dan memenuhi hasrat juara. Demi memenuhi permintaan yang banyak itu kadang kala mereka tidak ragu mengeluarkan ratusan juta euro untuk mendapatkan pemain dan pelatih berkualitas (Devi, 2004).

Perusahaan (manajemen tim) merencanakan berbagai strategi dalam mencapai tujuan dan sasaran yang telah ditetapkan, aliansi internasional yaitu kerja sama antar perusahaan dalam lingkup internasional sangat diperlukan. Melalui aliansi internasional, diharapkan perusahaan bisa memperoleh manfaat yang memungkinkan perusahaan untuk saling berbagi risiko dan biaya dalam menjalankan bisnis (Anatan & Ellitan, 2009).

Mereka yang mampu menjuarai sebuah kompetisi akan menaikkan nilai (*value added*) jual tim di pasar saham. Menjuarai sebuah kompetisi berarti semakin memperkenalkan diri pada dunia, di samping itu, muncul sebuah lingkaran antara perusahaan yang menanungi sebuah tim sepak bola dengan perusahaan besar. Tim juara akan menarik minat perusahaan besar semacam Adidas, Nika, Puma, dan lain-lain untuk melakukan kerja sama (Devi, 2004).

Liga Primer adalah liga sepak bola yang paling banyak ditonton di dunia, disiarkan di 212 wilayah kepada 643 juta pemirsa. Pada musim 2014/15 rata-rata jumlah kehadiran penonton dalam setiap pertandingan Liga Primer Inggris adalah 36.000, yang merupakan jumlah tertinggi kedua dari liga sepak bola profesional di

bawah Bundesliga Jerman dengan tingkat kunjungan ke stadion sebesar 92,2%. Reformasi sepak bola modern di Inggris diinisiasi oleh FA (*Football Association*) sebagai otoritas tertinggi asosiasi sepak bola Inggris setelah berakhirnya kompetisi tahun 1991/1992. Tepat pada musim kompetisi 1992/1993 kasta tertinggi kompetisi sepak bola Inggris berganti nama, yakni Liga Primer dan Manchester United keluar sebagai pemenang pertama kompetisi setelah resmi berganti. Sebanyak 47 tim telah bermain di Liga Primer sejak awal digulirkan dengan Arsenal, Chelsea, Everton, Liverpool, Manchester United, dan Tottenham Hotspur berpartisipasi dalam setiap musim kompetisi hingga saat ini. Pada akhir setiap musim, tiga tim terbawah akan terdegradasi dan tiga tim yang dipromosikan dari kasta kedua Liga Championship menggantikan yang terdegradasi (www.premierleague.com).

Salah satu peserta di Liga Primer, Manchester United memiliki basis pendukung yang besar berdasarkan jumlah pengikut di sosial media resmi klub seperti Facebook, Twitter, dan juga Instagram. Menurut daftar yang telah dikeluarkan baru-baru ini oleh KPMG, Manchester United adalah tim sepak bola paling bernilai tahun 2017 dengan nilai 2,6 miliar euro. Manchester United juga tercatat sebagai tim terkaya pada tahun yang sama. Hal itu diutarakan oleh Deloitte pada laporan khususnya dalam *Football Money League*. Kekayaan yang diperoleh sebuah tim sepak bola utamanya diperoleh dari pendapatan setiap pertandingan, hak siar, dan pendapatan komersial. Manchester United tercatat sejak 2016/2017 hingga sekarang sebagai tim dengan pendapatan tertinggi dan selalu bertambah nilainya di tiap musim. Pada musim 2016/2017 pendapatan Manchester United sebesar 689 juta euro.

Organisasi atau perusahaan yang menaungi sebuah tim sepak bola menjalin kerja sama dengan perusahaan-perusahaan besar dituntut agar mampu mempertanggungjawabkan dan melaporkan segala bentuk pengelolaan dana dari seluruh aktivitas yang dilakukan secara terbuka dan transparan dalam bentuk informasi yang disajikan dalam laporan keuangan, sehingga mau tidak mau harus menggunakan salah satu dari banyak standar yang telah ada sebagai pedoman dalam menyusun laporan keuangan dan tidak bisa dipungkiri untuk industri sepak bola,

aset non fisik seperti pemain memegang peranan yang signifikan bagi perusahaan (Baihaqi, 2014).

Anani (2015) menyebutkan bahwa praktik pelaporan keuangan selama ini, sering kali mengabaikan informasi penting yaitu informasi tentang sumber daya manusia sebagai suatu aset (*human assets*) dan perlakuan akuntansi konvensional terhadap pengeluaran untuk sumber daya manusia selalu dianggap sebagai beban. Berbeda dengan pengakuan pemain sepak bola dalam laporan posisi keuangan tim-tim sepak bola di Inggris apabila dibayangkan nilai untuk memperoleh pemain bola tersebut diperlakukan sebagai beban dalam *income statement* hal ini menjadikan nilai aset dari tim sepak bola dalam laporan posisi keuangan tidak sesuai dengan nilai yang sebenarnya, bukanlah manusia secara utuh yang disebut sebagai aset, namun kemampuan jasa yang dimiliki oleh manusia yang tersedia dan sesuai dengan kebutuhan perusahaan yang dibandingkan dengan aset. Selain itu, industri sepak bola memiliki karakteristik yang unik sehingga memungkinkan mengakui pemain sebagai asetnya (Devi, 2004).

Perkembangan sepak bola dunia harus diakui banyak berkiblat ke negara-negara Eropa. Maka dari itu, juga akan dibahas mengenai dasar akuntansi untuk pemain sepak bola yang tercermin dalam IAS 38. Pengukuran dan pencatatan aset fisik dan non-fisik dalam laporan keuangan berbeda. Pelaporan untuk aset non-fisik sering kali belum memadai dalam laporan keuangan perusahaan. Pada pencatatan investasi aset fisik terdapat metode penyusutan dan kapitalisasi, maka tidak demikian halnya dengan investasi nonfisik. Pengeluaran atas investasi non-fisik akan dicatat sebagai biaya bukan dilaporkan sebagai aset atau sumber daya perusahaan hal ini disebabkan belum semua investasi non-fisik tersebut dapat memenuhi kriteria sebagai aset (Anani, 2015).

Berdasarkan pemaparan dan uraian yang telah dijelaskan secara umum di atas, penulis hendak melakukan penelitian dengan judul **“Akuntansi Aset Tidak Berwujud (Pengakuan, Pengukuran, Pengungkapan, dan Penyajian Pemain Sepak Bola dalam Laporan Keuangan Tim Manchester United).”**

1.2 Rumusan Masalah

Pokok rumusan masalah yang akan dibahas lebih lanjut secara terperinci dalam penelitian ini adalah:

1. Bagaimana pengakuan, pengukuran, pengungkapan dan penyajian pemain sepak bola sebagai *human assets* dalam laporan keuangan Manchester United?
2. Bagaimana kesesuaian praktik perlakuan akuntansi untuk pemain sepak bola tim Manchester United dengan IAS 38?

1.3 Tujuan Penelitian

Berdasarkan uraian latar belakang dan rumusan masalah di atas. Tujuan dilakukannya penelitian ini adalah:

1. Untuk memberikan kajian dan penjabaran tentang pengakuan, pengukuran, pengungkapan, dan penyajian pemain sepak bola sebagai *human assets* dalam laporan keuangan tim Manchester United.
2. Untuk memberikan informasi tentang kesesuaian praktik perlakuan akuntansi untuk pemain sepak bola Manchester United dengan IAS 38.

1.4 Manfaat Penelitian

Manfaat yang diharapkan dari penelitian ini bagi beberapa pihak sehingga dapat dijadikan acuan bagi penelitian selanjutnya adalah:

1. Bagi praktisi, penelitian ini diharapkan dapat digunakan secara konkret atau setidaknya dapat memperbaiki kualitas pengakuan, pengukuran, pengungkapan dan penyajian pemain sepak bola sebagai *human assets* dalam laporan keuangan tim sepak bola.
2. Bagi akademisi, penelitian ini dapat dijadikan sebagai suatu pengetahuan untuk acuan dalam perlakuan pemain sepak bola sebagai *human assets* dalam laporan keuangan tim sepak bola.
3. Manfaat teoritis yang diharapkan dari penelitian ini adalah dapat menjadi referensi dan masukan bagi perkembangan ilmu akuntansi dalam perlakuan akuntansi untuk *human assets*.

BAB 2 TINJAUAN PUSTAKA

3.1 Landasan Teori

Landasan teori adalah alur logika tentang konsep dan definisi yang disusun secara sistematis yang kemudian dapat membantu dalam menjelaskan bagaimana kerangka konseptual pelaporan keuangan pemain sepak bola dalam laporan keuangan sebuah tim sepak bola (Anani, 2015).

3.2 Pengertian Akuntansi

Kieso, *et al* (2014) dalam Martani dkk (2016) mendefinisikan akuntansi sebagai suatu sistem dengan input data atau informasi dan output berupa informasi dan laporan keuangan yang bermanfaat bagi pengguna internal maupun eksternal entitas. Akuntansi menghasilkan informasi yang menjelaskan kinerja keuangan entitas dalam suatu periode tertentu dan kondisi keuangan entitas pada tanggal tertentu.

AICPA pada tahun 1970 dalam Tunggal (1995) memperbarui definisi akuntansi menjadi “*Accounting is a service activity. It's function in nature about economic entities that is intended to be useful in making economics decision-in making reasoned choices among alternative course of action.* Dapat pula disimpulkan bahwa akuntansi merupakan suatu sistem untuk menghasilkan informasi keuangan yang digunakan para pemakainya dalam proses pengambilan keputusan bisnis (Ikhsan dan Ishak, 2005).

Tujuan informasi tersebut adalah memberikan petunjuk dalam memilih tindakan yang paling baik untuk mengalokasikan sumber daya yang langka pada aktivitas bisnis dan ekonomi. Tujuan utama akuntansi yang lain diantaranya (Tunggal, 1995):

1. Menghitung laba berkala yang diperoleh oleh suatu perusahaan dan menilai sukses atau gagalnya suatu perusahaan.
2. Mengamankan harta-milik perusahaan.

3. Menetapkan hak masing-masing pihak berkepentingan dalam perusahaan.
4. Menilai efisiensi operasi perusahaan dengan menetapkan standar-standar untuk diperbandingkan dengan performa.
5. Memberi informasi mengenai likuiditas (*liquidity*), kemampuan (*profitability*), solvabilitas (*solvency*) suatu perusahaan.

2.3 Aset Tidak Berwujud

Terdapat beberapa definisi mengenai aset dan aset tidak berwujud menurut badan atau peraturan yang menetapkan standar akuntansi, contohnya FASB dan IASB. Berikut ini adalah definisi aset tidak berwujud:

1. FASB (*Federation Accounting Standard Board*)

SFAC no. 6 menyebutkan aset adalah: "*Probable future economic benefits obtained or control by a particular entity as a result of past transactions or events.*". (Kemungkinan manfaat ekonomi di masa depan yang diperoleh atau dikendalikan oleh suatu entitas tertentu sebagai hasil dari transaksi atau peristiwa di masa lampau.) Definisi ini berlaku bagi aset berwujud dan tidak berwujud, hanya saja aset berwujud memiliki bentuk fisik sedangkan aset tidak berwujud tidak memiliki wujud fisik.

2. IASB (*International Accounting Standard Board*)

Melalui IAS 38 mendefinisikan *Intangible asset*: "*non-monetary asset without physical substance held for use in the production of supply of good or service, for rental to others, or for administrative purposes.*" (Aset nonmoneter tanpa perwujudan fisik yang didapat untuk digunakan dalam produksi dari persediaan atau servis, untuk dipinjamkan kepada pihak lain, atau untuk tujuan administratif).

Menurut IAS 38 kriteria aset tidak berwujud teridentifikasi apabila aset tidak berwujud dapat dibedakan secara jelas dengan *goodwill*. *Goodwill* dalam sebuah kombinasi bisnis diakui sebagai aset yang menggambarkan manfaat ekonomis di masa depan yang muncul dari aset lain yang diakuisisi dalam kombinasi bisnis tersebut yang tidak didefinisikan secara individual dan diakui secara terpisah.

Suatu aset dikatakan dapat diidentifikasi jika:

1. Dapat dipisahkan, yaitu dapat dipisahkan atau dibedakan dari entitas dan dijual, dipindahkan, dilisensikan, disewakan atau ditukarkan, baik secara tersendiri atau bersama-sama dengan kontrak terkait, aset atau liabilitas teridentifikasi, terlepas dari apakah entitas bermaksud untuk melakukan hal tersebut; atau
2. Timbul dari kontrak atau hak legal lainnya, terlepas dari apakah hak tersebut dapat dialihkan atau dipisahkan dari entitas atau dari hak-hak dan kewajiban-kewajiban lainnya.

Sebuah perusahaan dapat dikatakan mengendalikan aset apabila entitas tersebut mempunyai kemampuan untuk memperoleh manfaat ekonomi masa depan dari aset tersebut. Manfaat ekonomi masa depan yang didapat dari aset tidak berwujud meliputi pendapatan dari penjualan produk atau jasa, penghematan biaya, atau manfaat lain yang diakibatkan oleh penggunaan aset tersebut (IASB, 2014).

2.3.1 Pengakuan

Aset tidak berwujud harus diakui jika, dan hanya jika:

1. Kemungkinan besar entitas akan memperoleh manfaat ekonomis masa depan dari aset tersebut, dan
2. Biaya perolehan aset tersebut dapat diukur secara andal.

Entitas dapat menghitung probabilitas manfaat ekonomi masa depan aset tidak berwujud dengan menggunakan asumsi masuk akal yang dapat dipertanggungjawabkan dan keputusan dari manajemen. Pada awalnya, aset tidak berwujud harus diakui sebesar biaya perolehannya.

Menurut IAS 38 Aset tidak berwujud dapat diperoleh dari:

1. Perolehan terpisah.
2. Akuisisi sebagai bagian dari kombinasi.
3. Pengakuisisian dengan hibah pemerintah.
4. Pertukaran aset.

5. *Goodwill* yang dihasilkan internal.
6. Aset tidak berwujud yang dihasilkan internal.

Menurut Devi (2004) pemain sepak bola sebuah tim tidak selalu berasal dari aktivitas *transfer market*. Banyak pemain dari tim junior yang memang sengaja dilatih dan dikembangkan bakatnya untuk memenuhi kualifikasi pelatih di tim utama. Pemain yang berasal dari proses pengembangan ini dapat dikatakan sebagai aset tidak berwujud yang dihasilkan internal.

a) Aset Tidak Berwujud – Internal

Sulit untuk menentukan apakah aset tidak berwujud yang dihasilkan secara internal dapat diakui. Penyebabnya, aset tidak berwujud diakui apabila dapat ditentukan saat timbulnya serta memiliki manfaat masa depan dan biaya perolehannya dapat dihitung secara andal. Perlu adanya kriteria tambahan dalam mengakui aset tidak berwujud yang dihasilkan oleh internal. Perusahaan biasanya menggolongkan proses dihasilkannya aset menjadi dua, yaitu *research phase* dan *development phase*. *Research phase* (tahap riset) adalah penelitian orisinal dan terencana yang dilaksanakan dengan harapan memperoleh pembaruan pengetahuan dan pemahaman teknis atas ilmu yang baru. Sedangkan *development phase* atau tahap pengembangan merupakan penerapan temuan riset atau pengetahuan lainnya pada suatu rencana atau rancangan produksi bahan baku, alat, produk, proses, sistem, atau jasa yang sifatnya baru atau yang mengalami perbaikan substansial, sebelum dimulainya produksi komersial atau pemakaian (IASB, 2014).

Berbeda dengan riset yang tidak dapat diakui sebagai aset tidak berwujud karena pengeluaran yang terjadi selama riset berlangsung diakui sebagai beban saat terjadinya, aset dari kegiatan pengembangan dapat diakui sebagai aset tidak berwujud jika dan hanya jika memenuhi kriteria sebagai berikut:

1. Kelayakan teknis penyelesaian.
2. Diselesaikan untuk digunakan atau dijual.
3. Kemampuan untuk digunakan atau dijual.
4. Kemungkinan besar memiliki manfaat ekonomis di masa depan.

5. Tersediannya sumber daya teknis, keuangan, dan sumber daya lainnya untuk menyelesaikan dan menggunakan atau dijual.
6. Kemampuan mengukur secara andal pengeluaran untuk aset dari pengembangan tersebut.

2.3.2 Pengukuran setelah Pengakuan

Pengukuran setelah pengakuan dapat dilakukan oleh entitas perusahaan menggunakan salah satu dari dua model yang ada, yakni model biaya berdasarkan biaya perolehan dan model revaluasi berdasar nilai wajar pasar (IASB, 2014).

Pengukuran setelah pengakuan aset tidak berwujud bergantung pada masa manfaatnya, apakah terbatas atau tidak terbatas. Apabila aset tidak berwujud tersebut memiliki masa manfaat terbatas diperlukan amortisasi. Aset tidak berwujud memiliki masa manfaat terbatas saat:

1. Dimulai ketika aset tersedia untuk digunakan.
2. Dihentikan pada waktu yang lebih dulu antara ketika aset digolongkan sebagai tersedia untuk dijual atau tanggal ketika aset dihentikan pengakuannya.
3. Metode harus menggambarkan pola konsumsi atas manfaat aset.

Sehingga saat amortisasi dicatat sebagai berikut:

Dr. Beban amortisasi xxx

Cr. Aset (atau akumulasi amortisasi) xxx

2.3.3 Penghentian dan Pelepasan

Penghentian aset tidak berwujud dapat dilakukan saat terjadi proses pelepasan atau tidak terdapat lagi manfaat ekonomi yang dapat dihasilkan di masa depan oleh aset tersebut. Sementara untuk pelepasan terjadi apabila entitas sudah tidak menggunakan aset tidak berwujud tersebut. Kerugian maupun keuntungan yang diperoleh dari aktivitas penghentian dan pelepasan ini harus diakui di laporan laba rugi (IASB, 2014).

2.3.4 Pengungkapan

Entitas diharuskan melakukan pengungkapan terhadap aset tidak erwujud yang dimiliki. Pengungkapan umum yang diperlukan antara lain (IASB, 2014):

1. Masa manfaat terbatas atau tidak terbatas.
2. Metode amortisasi.
3. Jumlah tercatat bruto dan akumulasi amortisasi dengan akumulasi penurunan nilai pada awal dan akhir periode.
4. Unsur-unsur dalam laporan pendapatan komprehensif.
5. Penambahan, penurunan, kerugian penurunan nilai, amortisasi yang diakui, dan perubahan lainnya pada jumlah tercatat selama periode.
6. Untuk yang menggunakan model revaluasi:
 - a. Tanggal efektif revaluasi.
 - b. Jumlah tercatat yang direvaluasi.
 - c. Jumlah tercatat yang diakui apabila diukur dengan metode biaya.
 - d. Jumlah surplus revaluasi awal dan akhir periode.
 - e. Metode dan asumsi dalam mengestimasi nilai wajar aset.

Entitas juga harus mengungkapkan jumlah keseluruhan penelitian dan pengembangan. Pengeluaran tersebut diakui sebagai beban selama periode berjalan (IASB, 2014).

2.4 Sumber Daya Manusia

Human capital merupakan salah satu bagian pembentuk dari *intellectual capital* selain modal struktural dan modal relasional. *Intellectual capital* dapat didefinisikan sebagai jumlah dari apa yang dihasilkan oleh tiga elemen utama organisasi (*human capital, structural capital, costumer capital*) terutama berkaitan dengan pengetahuan dan teknologi yang dapat memberikan nilai lebih bagi perusahaan berupa keunggulan bersaing organisasi (Sawarjuwono dan Kadir, 2003).

Human capital merupakan bagian penting bagi perusahaan saat ini yang orientasinya beralih dari *conventional based* menjadi *knowledge based*. Perolehan *human capital* melalui sebuah proses panjang dari riset, pengembangan, pelatihan, hingga perbaikan. *Human capital* yang dimaksudkan selanjutnya adalah jasa yang diberikan berupa keterampilan, pengetahuan serta pengalaman, dan kemudian disetarakan dengan aset melalui perhitungan biaya. Dengan demikian menilai sumber daya manusia adalah mengenai investasi manusia sebagai aset, dan bukan perlakuan manusia sebagai aset (Cendika dan Sawarjuwono, 2014).

Human capital merupakan *lifeblood* dalam modal intelektual, sumber dari *innovation* dan *improvement*, tetapi merupakan komponen yang sulit untuk diukur. *Human capital* menggambarkan kemampuan kolektif perusahaan dalam menghasilkan solusi terbaik berdasarkan pengetahuan yang dimiliki oleh orang-orang yang ada di dalam perusahaan tersebut, akan meningkat jika dalam prosesnya perusahaan mampu memanfaatkan dengan baik pengetahuan yang dimiliki oleh karyawannya (Stewart, *et al*, 1998 dalam Sawarjuwono dan Kadir, 2003).

2.4.1 Teori Sumber Daya Manusia

Konsep dari nilai manusia (*human value*) diperoleh dari teori nilai ekonomi secara umum. Pemberian nilai didasarkan pada kemampuan mereka (*human assets*) untuk memberikan pelayanan ekonomi di masa depan. Sejalan dengan pemikiran ekonomi, nilai individual atau kelompok biasanya didefinisikan sebagai harga saat ini dari layanan yang diberikan pada organisasi selama ekspektasi masa hidup. Mengukur dan mengungkapkan nilai sumber daya manusia dapat dimulai dari perumusan teori nilai sumber daya manusia untuk menjelaskan hakikat dan determinan (faktor-faktor yang menentukan) dari nilai seseorang bagi organisasi. Terdapat dua model determinan dari nilai sumber daya manusia yang dikemukakan Flamholtz dan Likert dan Bowers yaitu determinan nilai individu dan nilai kelompok (Belkaoui, 2011: 359).

Ketika penilaian terhadap individu atau kelompok telah mampu diterapkan selanjutnya, kebijakan akuntansi oleh manajer berkaitan dengan kemampuan serta

pemahamannya dan bagaimana manajer akan menanggapi tantangan di masa mendatang. Teori ini juga membuat sebuah perusahaan memilih kebijakan paling efisien untuk dijalankan sehingga memaksimalkan harapan untuk bertahan (Scott, 2009: 284).

2.4.2 Pengertian Akuntansi Sumber Daya Manusia

Akuntansi sumber daya manusia telah didefinisikan oleh Komite Akuntansi Sumber Daya Manusia dari *American Accounting Association* sebagai suatu proses identifikasi dan pengukuran data mengenai sumber daya manusia serta pengkomunikasian informasi ini ke pihak-pihak yang berkepentingan (Warno, 2011).

Akuntansi sumber daya manusia berarti akuntansi untuk manusia sebagai suatu sumber daya organisasional. Hal ini melibatkan pengukuran biaya yang dikeluarkan oleh perusahaan-perusahaan bisnis dan organisasi lainnya untuk merekrut, menyeleksi, mempekerjakan, melatih, dan mengembangkan aktiva manusia (Ikhsan dan Ishak, 2005)

Rensis Likert, Eric G. Flamholtz dan beberapa peneliti lainnya telah mengembangkan beberapa riset akademik dari model dan teori mengenai akuntansi sumber daya manusia sejak tahun 1967. Tujuannya adalah untuk menyajikan dan mengidentifikasi nilai sumber daya manusia yang dengan demikian dapat mengetahui peningkatan atau penurunan nilai pada periode tertentu di perusahaan itu (Naukoko, 2014).

The American Accounting Association's Committee in Human Resources Accounting mendefinisikan akuntansi sumber daya manusia sebagai suatu proses mengidentifikasi dan mengukur data tentang sumber daya manusia dan menyampaikan informasi ini kepada mereka yang berkepentingan. Akuntansi sumber daya manusia berarti akuntansi untuk manusia sebagai suatu sumber dari organisasi (Flamholtz dalam Tunggal, 1995).

Akuntansi sumber daya manusia merupakan salah satu aspek terpenting dalam perusahaan dengan melibatkan data dan nilai dari sumber daya manusia. Informasi

tersebut dapat diidentifikasi dan diukur sebagai bahan untuk dikomunikasikan kepada pihak-pihak berkepentingan. Sebagai sumber daya organisasi, sumber daya manusia harus dapat diukur dan dilaporkan. Pengukuran yang digunakan dalam akuntansi sumber daya manusia bukanlah berdasarkan pada biaya operasional saja, tetapi sebagai biaya atau pengeluaran modal. Oleh karena itu, sumber daya manusia dalam suatu perusahaan harus dapat dinilai sejak proses penyeleksian, perekrutan, pelatihan dan pengembangan kemampuan pegawai agar dapat diketahui perkembangan dari nilai sumber daya manusia sebagai aset dalam suatu organisasi (Naukoko, 2014).

2.4.3 Tujuan Akuntansi Sumber Daya Manusia

Warno (2011) mengatakan bahwa akuntansi sumber daya manusia adalah suatu pengakuan bahwa orang-orang merupakan modal manusia maupun aset manusia. Teori ekonomi dari modal manusia didasarkan pada konsep bahwa manusia memiliki keterampilan, pengalaman, dan pengetahuan yang merupakan bentuk dari modal, yang disebut dengan “modal manusia”. Tujuan utama dari akuntansi sumber daya manusia adalah berfungsi sebagai suatu sistem yang menyediakan pengukuran atas biaya dan nilai atas manusia bagi suatu organisasi (Ikhsan dan Ishak, 2005: 353).

Menurut Flamholtz (dalam Tunggal, 1995) akuntansi sumber daya manusia memiliki empat kegunaan, yaitu:

1. Menyediakan rerangka kerja untuk membantu manajer dalam menggunakan sumber daya manusia secara efektif dan efisien.
2. Menyediakan informasi yang dibutuhkan bagi *user* dalam memperoleh, mengembangkan, menempatkan, mengkonversi, menggunakan, mengevaluasi, dan menghargai sumber daya manusia.
3. Memotivasi manajer untuk menghargai akibat pengambilan keputusan usaha atas sumber daya manusia.
4. Menyediakan alat pengukuran *cost* dan *value* dari manusia bagi organisasi untuk digunakan dalam pengambilan keputusan.

2.4.4 Pengakuan Sumber Daya Manusia

Sumber daya manusia sampai saat ini masih memiliki banyak perbedaan pendapat terkait bagian dari aset perusahaan yang harus dilaporkan di laporan posisi keuangan, meskipun telah ada kesepakatan bahwa sumber daya manusia merupakan aset perusahaan yang sangat besar kontribusinya dalam memberikan manfaat ekonomis masa depan ke perusahaan. Dalam SFAC no. 6 telah disebutkan definisi aset menurut FASB yakni, (1) memiliki manfaat ekonomi di masa mendatang, (2) dikuasai oleh entitas, dan (3) merupakan kejadian masa lalu. Sumber daya manusia dapat diakui sebagai aset (*human assets*) dalam laporan posisi keuangan.

2.4.5 Metode Pengukuran Sumber Daya Manusia

Ruang lingkup akuntansi sumber daya manusia (*human resource accounting*) dibagi menjadi dua, *human resource cost accounting* (HRCA) dan *human resource value accounting* (HRVA). Metode pengukuran moneter dilakukan untuk mengetahui seberapa besar pengeluaran yang terjadi dan dapat dilakukan dengan dua metode, metode biaya (*human resource cost accounting*) yakni sebuah pengukuran dan pelaporan biaya yang timbul untuk pencarian, pengembangan, dan penggantian tenaga sebagai sumber daya organisasi dan metode nilai (*human resource value accounting*) dapat juga dikatakan sebagai usaha sumber daya manusia saat ini yang diharapkan memiliki nilai ekonomis di masa depan (Flamholtz dalam Tunggal, 1995).

Terdapat dua jenis biaya yang berkenaan dengan HRCA yaitu *personal cost*, biaya yang berhubungan dengan fungsi proses manajemen personalia dalam pencarian dan pengembangan sumber daya manusia dan *human assets*, biaya dari manusia itu sendiri dimasukkan sebagai *human resource* dari perusahaan (Tunggal, 1995: 12). Pengukuran akuntansi sumber daya manusia terdapat dua kelompok besar model penentuan biaya sumber daya manusia. Dua model pengukuran tersebut terdiri dari, *Human Resource Cost Accounting* dan *Human Resource Value*

Accounting (Tunggal, 1995: 18). HRCA memiliki beberapa metode pengukuran yaitu:

1. *Historical cost*

Mengukur sumber-sumber yang telah dikeluarkan dalam rangka memperoleh dan mengembangkan tenaga kerja. Sehingga dalam hal ini akan mencakup biaya rekrutmen, *selection hiring, and placement*.

2. *Replacement cost*

Yaitu mencakup semua biaya yang akan dikeluarkan perusahaan untuk menggantikan sumber daya manusia yang sekarang dipekerjakannya.

HRVA memiliki dua metode pengukuran yakni metode moneter dan metode non-moneter. Pada metode moneter, di mana HRVA menitik beratkan pada nilai yang dimiliki perusahaan dan dampaknya bagi perusahaan. Sedangkan metode moneter HRCA lebih menitik beratkan pada biaya yang dikeluarkan untuk mendapatkan sumber daya manusia yang diinginkan perusahaan. Metode yang menggunakan pengukuran ukuran-ukuran moneter adalah *Historical (Original Cost Method), Replacement Cost Method, Current Cost Method, Opportunity Cost Method, Compensation Model, Adjusted Discounted Future Wages Method, dan Goodwill Method* (Tunggal, 1995: 20).

Metode non-moneter HRVA menggunakan variabel-variabel tertentu dalam menyajikan informasi mengenai nilai sumber daya manusia. Pengukuran semacam ini lebih relevan digunakan untuk pihak intern terutama untuk mengukur prestasi kerja level manajemen dari tingkat bawah sampai tingkat atas. Pengukuran non-moneter mempunyai kegunaan yang penting seperti inventarisasi keterampilan dan kemampuan orang, *rating* hasil kerja karyawan, pengukuran mengenai sikap atau tingkah laku (*measurement of attitudes*). Pengukuran non-moneter untuk sumber daya manusia yang paling sering dipakai adalah mengenai variabel-variabel yang menentukan efektivitas organisasi perusahaan yang dikembangkan oleh Likert dan Bowers (Tunggal, 1995: 29)

2.4.6 Pengungkapan Sumber Daya Manusia

Sumber daya manusia yang telah diakui dan diukur harus diungkapkan dalam laporan keuangan sebagai aset perusahaan. IAS 38 memberikan arahan bahwa laporan keuangan harus mengungkapkan hal-hal tertentu untuk setiap golongan aset tidak berwujud, dengan membedakan antara aset tidak berwujud yang dihasilkan secara internal dan aset tidak berwujud lainnya (Anani, 2015).

2.4.7 Penyajian Sumber Daya Manusia

Framework for the Preparation and Presentation of Financial Statements yang diterbitkan IASB menyatakan bahwa terdapat empat karakteristik kualitatif pokok atas laporan keuangan dapat diukur, relevan, keandalan, dan dapat dibandingkan. Penyajian laporan keuangan telah diatur oleh IASB dalam IAS 1 tentang *Presentation of Financial Statements* untuk memenuhi karakteristik yang dapat dibandingkan. IAS 1 revisi 2007 telah mengelurkan syarat-syarat yang harus disajikan dalam laporan keuangan, yaitu:

1. *A statement of financial position* (laporan posisi keuangan).
2. *A statement of comprehensive income for the period* (laporan laba rugi komprehensif).
3. *A statement of changes in equity for the period* (laporan perubahan ekuitas).
4. *A statement of cash flows for the period* (laporan arus kas).
5. *Notes* (catatan), yang terdiri dari rangkuman kebijakan akuntansi yang penting dan informasi penjelas lainnya.

Akuntansi sumber daya manusia dalam laporan keuangan disajikan dalam sisi aktiva pada pos investasi sumber daya manusia sisi kewajiban dan modal pada pos modal sumber daya manusia sebesar nilai total investasi sumber daya manusia. Sedangkan nilai amortisasi sumber daya manusia masuk ke dalam laporan laba rugi perusahaan sebagai pengurang biaya operasional perusahaan yang diakui sebesar jumlah biaya untuk pengembangan sumber daya manusia dibagi taksiran umur ekonomis (Priyati & Fakhrudin, 2014).

2.5 Akuntansi untuk Pemain Sepak Bola

2.5.1 Pengakuan Pemain Sepak Bola

Sebuah tim sepak bola selayaknya perusahaan, diharuskan untuk membuat laporan keuangan. FIFA sebagai induk organisasi sepak bola seluruh dunia telah mencantumkan hal-hal yang dicatat dalam laporan keuangan. Menurut *club licensing regulation* yang dibuat oleh FIFA menjelaskan bahwa sebuah tim yang hendak mengajukan lisensi dibagi menjadi dua bagian. *Sporting criteria, personel and administration criteria, legal criteria, dan financial criteria* adalah beberapa syarat minimum yang harus dipenuhi sebagai bagian dari ketaan untuk mengikuti kompetisi (Anani, 2015).

Laporan keuangan tim sepak bola pada dasarnya tidak memiliki pembahasan secara khusus dalam standar akuntansi, namun dalam rangka pemenuhan kriteria seperti yang tertulis dalam *club licensing regulation*, tim sepak bola memerlukan prinsip akuntansi yang berlaku umum. Prinsip akuntansi untuk sepak bola memang tidak diatur secara khusus berbeda dengan industri lainnya. Hal ini mengakibatkan tim sepak bola mencari dan memilah sendiri standar mana saja yang dapat digunakan dan diterapkan dari berbagai standar yang telah ada. Tentu saja ini tidak membuat seorang akuntan yang bekerja di dalam tim sepak bola berkurang beban tugasnya karena seperti dikatakan dalam *Accounting for Football Club* bahwa setiap industri memiliki ciri khasnya sendiri sehingga dibutuhkan pemahaman mendalam atas industri terkait sampai akhirnya mampu memutuskan standar mana yang paling memungkinkan untuk diterapkan. Keputusan dari standar mana yang akan diterapkan sangat mempengaruhi informasi atas situasi keuangan perusahaan tersebut.

Pengakuan pemain sepak bola sebagai aset masih menjadi pertentangan dalam dunia akuntansi terkait *human assets*. Pemain sepak bola dapat dikatakan sebagai aset apabila mereka memenuhi kriteria aset tidak berwujud menurut IAS 38 yang menyebutkan bahwa aset tidak berwujud harus diakui jika, dan hanya jika:

1. Kemungkinan besar entitas akan memperoleh manfaat ekonomis masa depan dari aset tersebut; dan
2. Biaya perolehan aset tersebut dapat diukur secara andal.

Berdasarkan kriteria yang telah disebutkan, jelas bahwa pemain sepak bola termasuk dalam aset dalam laporan posisi keuangan. Umumnya pemain sepak bola dapat menimbulkan manfaat ekonomis bagi tim yang mengontraknya dilihat dari kontribusi juga jasanya di pertandingan ditambah biaya perolehan dari pemain bersangkutan juga dapat diukur secara andal, apabila ditinjau dari kesepakatan jual-beli (*transfer*) diakui sebagai *player's registration*.

2.5.3 Pengukuran Pemain Sepak Bola

Untuk menentukan bagaimana pengukuran akuntansinya terdapat dua konsep dasar akuntansi yang harus diperhatikan, yaitu *matching and accruals concept* serta *concept of prudence*. Aset tidak berwujud secara umum dikapitalisasi pada laporan posisi keuangan pada nilai historis dan didepresiasi selama masa *economic life*-nya (Devi, 2004).

Perlakuan ini muncul dari *matching and accrual concept* yang terkait dengan konsep realisasi. Konsep ini membedakan antara penerimaan dan pembayaran kas serta hak untuk menerima kas atau timbulnya kewajiban untuk membayar kas. Pendapatan diakui ketika hak atau kewajiban telah diperoleh atau dilaksanakan bukan pada saat kas benar-benar diterima. Dalam konsep ini juga, setiap beban dilawankan dengan pendapatan yang telah terealisasi untuk memperoleh laba. Beban memasukkan bagian dari aset tetap yang telah digunakan selama periode akuntansi untuk menghasilkan pendapatan. Beban ini kita kenal sebagai beban depresiasi atau amortisasi. Berdasarkan konsep ini maka pemain sepak bola dikapitalisasi dalam laporan posisi keuangan dan diamortisasi selama masa *economic life*-nya.

Prudence concept menyatakan bahwa akuntan harus selalu berhati-hati (*prudent*) dalam memutuskan perlakuan akuntansi dalam setiap transaksi. Oleh sebab itu, baik aset berwujud maupun aset tidak berwujud yang sulit untuk diukur nilainya tidak dikapitalisasi dalam laporan posisi keuangan. Seperti umumnya aset

tidak berwujud, terdapat beberapa ketidakpastian dalam pengukuran dan penilaian pemain sepak bola. Ketidakpastian ini meliputi seberapa banyak pemain sepak bola yang benar-benar berkontribusi terhadap keuntungan ekonomis timnya di masa depan. Misalnya dalam waktu tersebut bagaimana pemain dapat segera menyesuaikan diri dengan tim, cedera, tidak tampil dalam performa terbaiknya dan berapa lama akan tinggal di tim. Berdasarkan *concept of prudence* maka pemain sepak bola seharusnya tidak dikapitalisasi karena sulit untuk dinilai dan jasa yang diberikan untuk *future economic benefits* sulit diukur. Standar telah merekomendasikan untuk mengkapitalisasi aset tidak berwujud di mana terdapat *active market* untuk aset tersebut dan jika mereka dapat diperjualbelikan secara terpisah dari bisnis secara keseluruhan.

Penentuan nilai dari pemain sepak bola dapat menggunakan dua pendekatan dalam penilaian pekerja. Pertama adalah *cost based methods*, contohnya *historical cost, replacement cost, opportunity cost*. Setiap pendekatan tidak ada yang benar-benar diterima sepenuhnya karena masing-masing memiliki kelebihan dan kelemahan. Untuk beberapa kasus penetapan subjektif perlu diambil. Bagaimanapun penilaian bagi pemain sepak bola tidak serumit penilaian terhadap pekerja biasa. Karena adanya *active transfer market* untuk pemain sepak bola di mana pemain diperoleh berdasarkan transfer *fee* yang dibayarkan ke tim lama cukup *fair* dan independen untuk dijadikan dasar nilai kapitalisasi.

Dapat ditentukannya nilai dari seorang pemain, maka pemain sepak bola dapat dikapitalisasi dan diamortisasi selama umur ekonomisnya. Umur ekonomis tersebut dihitung berdasarkan masa kontrak pemain dengan tim. Untuk pemain yang telah habis masa kontraknya dan memilih untuk memperpanjang kontrak, maka dapat direvaluasi sesuai dengan masa kontrak yang baru.

a) Amortisasi dan Revaluasi

Tidak berbeda dengan aset yang lain, pemain sepak bola yang diakui sebagai *player's registration* juga harus dikapitalisasi nilainya dan disusutkan. Pengkapitalisasian serta amortisasi ini dilakukan sebagai upaya agar kondisi

keuangan tim sepak bola lebih tergambar jelas. Pemain sepak bola yang sudah dikapitalisasi sebagai aset dalam laporan posisi keuangan, tahap berikutnya adalah nilai kapitalisasi tersebut harus diamortisasi sebagaimana aset berwujud disusutkan.

IAS 38 menyebutkan bahwa jumlah yang dapat diamortisasi dari aset tidak berwujud harus dialokasikan secara sistematis berdasarkan perkiraan terbaik dari masa manfaatnya. IAS 38 memandang bahwa manfaat ekonomis masa depan yang terkandung dalam suatu aset tidak berwujud dikonsumsi dengan berjalannya waktu. Untuk mencerminkan konsumsi tersebut, nilai tercatat aset tersebut diturunkan. Hal tersebut, dilakukan melalui alokasi yang sistematis atas biaya perolehan, dikurangi nilai sisa. Alokasi yang sistematis tersebut diperhitungkan sebagai beban amortisasi sepanjang masa manfaat aset tersebut.

Umumnya masa manfaat suatu aset tidak berwujud tak akan melebihi 20 tahun. Amortisasi dimulai sejak tanggal aset siap digunakan. Mengenai metode amortisasi yang digunakan, IAS 38 menjelaskan bahwa metode amortisasi harus mencerminkan pola konsumsi manfaat ekonomis oleh perusahaan. Jika pola tersebut tak dapat ditentukan secara andal, maka harus digunakan metode garis lurus, sementara itu nilai sisa suatu aset tidak berwujud seharusnya diasumsikan sama dengan nol, kecuali ada komitmen dari pihak ketiga untuk membeli aset tersebut pada akhir masa manfaatnya dan ada pasar aktif bagi aset tersebut.

Ketika revaluasi, nilai aset tidak berwujud setelah pengukuran awal dinilai berdasarkan nilai wajar dikurangi dengan akumulasi amortisasi dan akumulasi rugi penurunan nilai. Penerapan revaluasi harus dilakukan dengan keteraturan yang cukup reguler untuk memastikan bahwa jumlah tercatat tidak berbeda secara material dari jumlah yang ditentukan menggunakan nilai wajar pada tanggal neraca.

b) Perpanjangan Kontrak Pemain Sepak Bola

Pemain sepak bola dalam sebuah tim pasti terikat dengan kontrak yang umumnya berisi berapa gaji, bonus, dan masa manfaatnya di tim tersebut. Apabila seorang pemain baik itu diperoleh dari aktivitas transfer atau pun dari akademinya melakukan proses perpanjangan kontrak maka yang terjadi adalah jangka kontrak

yang baru akan menggantikan kontrak yang lama dalam basis penurunan nilainya. Perhitungan amortisasi bagi pemain yang memperpanjang kontrak didasarkan pada besarnya nilai kontrak, bukan lagi pada biaya perolehan jika pemain yang bersangkutan ada karena aktivitas transfer.

c) Penghentian dan Pelepasan

Ketika seorang pemain telah habis masa kontraknya atau dijual ke tim lain, maka aset tersebut harus dihilangkan dari laporan posisi keuangan. IAS 38 menyatakan bahwa suatu aset tidak berwujud tidak boleh lagi diakui, dan harus dihilangkan dari laporan posisi keuangan, saat aset tersebut dilepas atau ketika tidak ada lagi manfaat masa depan yang diharapkan dari penggunaannya dan pelepasan yang dilakukan sesudahnya. Keuntungan atau kerugian yang timbul dari penghentian atau pelepasan suatu aset tidak berwujud ditentukan dengan menghitung selisih antara jumlah penerimaan bersih dari pelepasan aset dan nilai tercatat aset tersebut, serta diakui sebagai keuntungan atau kerugian dalam laporan laba rugi.

2.5.4 Pengungkapan Pemain Sepak Bola

Ketika pemain sepakbola sudah diakui sebagai aset perusahaan, maka pemain tersebut harus diungkapkan dalam laporan keuangan. IAS 38 memberikan arahan bahwa laporan keuangan harus mengungkapkan hal-hal tertentu untuk setiap golongan aset tidak berwujud, dengan membedakan antara aset tidak berwujud yang dihasilkan secara intern dan aset tidak berwujud lainnya.

2.5.5 Penyajian Pemain Sepak Bola

Pemain sepak bola pada laporan keuangan tim berdasarkan penjelasan dan penguraian di atas sudah selayaknya dimasukkan dalam kolom laporan posisi keuangan karena nilai aset bersih yang dimiliki tim bersangkutan tidak akan menyajikan nilai yang sebenarnya dari perusahaan. Sedangkan harga kontrak pemainnya mungkin hampir setengah dari net asetnya. Bagi tim besar di kawasan Eropa seperti Manchester United di bawah naungan perusahaan berbentuk *Public Limited Company (PLC)* yang sahamnya dimiliki oleh beberapa pihak sehingga

laporan keuangan harus benar-benar menggambarkan keadaan dan kondisi tim secara jelas.

2.6 Penelitian Terdahulu

Terdapat beberapa penelitian terdahulu yang membahas seputar akuntansi untuk sepak bola maupun pemain sepak bola. Devi (2004) melakukan penelitian akuntansi untuk pemain sepak bola. Dalam penelitiannya Devi menyebutkan bahwa pemain sepak bola pada tim sepak bola yang berbentuk PLC (*public limited company*) sudah dapat mengkategorikan pemainnya sebagai aset tidak berwujud di kolom laporan posisi keuangan dalam laporan keuangan. Hasil penelitian tersebut menyebutkan bahwa adanya *active transfer market* dan nilai perolehan yang dapat diukur secara jelas menjadikan pemain sepak bola memenuhi kriteria sebagai aset.. Dengan dimasukkannya pemain sepak bola sebagai aset dalam laporan posisi keuangan maka akan memperkuat posisi laporan posisi keuangan dari tim-tim sepak bola dan nilai transfer tidak menambah beban sehingga memperkecil laba.

Penelitian selanjutnya oleh Baihaqi (2014) dalam penelitiannya mengangkat masalah kelayakan manusia (pemain sepak bola) dicatat dan diakui sebagai aset apakah sudah tepat. Baihaqi juga menyebutkan bahwa penelitian tersebut tidak hanya ditinjau dari segi keuangan tetapi juga dari aspek-aspek lain. Aspek tersebut meliputi aspek spiritual, pendidikan atau pelatihan, sosial budaya, dan lingkungan. Hasil penelitian tersebut menyatakan bahwa konsep akuntansi yang melihat secara holistik ini merupakan konsep terbaik untuk saat ini. Konsep ini ditemukan berdasarkan fenomena yang ada dalam masyarakat dan refleksi diri untuk melihat secara menyeluruh kehidupan pemain sepak bola sebagai manusia baik dari spiritual dan material. Sudah saatnya akuntansi melihat sesuatu tidak hanya dari sudut pandang material, melainkan juga melihat dengan sudut pandang yang lebih luas.

BAB 3 METODE PENELITIAN

3.1 Jenis Penelitian

Penelitian ini menggunakan jenis penelitian kualitatif dengan metode studi kasus. Menurut Moleong (2017: 6) penelitian kualitatif adalah penelitian yang bermaksud untuk memahami fenomena tentang apa yang dialami oleh subjek penelitian misalnya perilaku, persepsi, motivasi, tindakan secara holistik dengan cara deskripsi dalam bentuk kata-kata dan bahasa, pada suatu konteks khusus yang alamiah dan dengan memanfaatkan berbagai metode alamiah.

Menurut Creswell (2016: 19) metode studi kasus merupakan rancangan penelitian yang ditemukan di banyak bidang, khususnya evaluasi, di mana peneliti mengembangkan analisis dalam suatu kasus, sering kali program, peristiwa, aktivitas, proses, atau satu individu atau lebih. Jenis metode studi kasus yang digunakan adalah studi kasus mikroetnografi, yaitu sebuah studi kasus yang dilakukan terhadap sebuah unit sosial terkecil atau sisi tertentu dari sebuah organisasi (Bodan dan Bilken dalam Bungin, 2012: 26-27)

Jenis penelitian kualitatif dengan metode studi kasus dipilih untuk menganalisa bagaimana pengakuan, pengukuran, pengungkapan dan penyajian pemain sepak bola sebagai *human assets* dalam laporan keuangan Manchester United.

3.2 Unit Analisis

Subjek penelitian adalah Manchester United Football Club. Manchester United Football Club merupakan sebuah klub sepak bola profesional Inggris yang berbasis di Manchester, Inggris. Manchester United merupakan tim berbentuk *PLC (public limited company)* berarti saham dari perusahaan yang menaungi Manchester United telah dijual ke publik. Stadion utama dari Manchester United yaitu Old Trafford Stadium. Manchester United menjadi salah satu tim kontestan di Liga Primer Inggris yang pertama kali dimulai pada 1992/1993. Objek penelitian adalah perlakuan akuntansi pemain sepak bola sebagai *human assets* dari pengakuan, pengukuran, pengakuan, hingga penyajiannya dalam laporan keuangan tim Manchester United.

3.3 Jenis dan Sumber Data

Indriantoro dan Supomo (2014: 146) menyatakan bahwa yang dimaksudkan dengan data sekunder ialah sumber data yang diperoleh oleh peneliti secara tidak langsung melalui media perantara (diperoleh dan dicatat oleh pihak lain); yang umumnya berupa bukti, catatan atau laporan yang telah berbentuk arsip baik yang dipublikasikan maupun tidak dipublikasikan. Sumber data terkait informasi subjek penelitian yang digunakan merupakan sumber data sekunder internal.

Jenis data yang digunakan dalam penelitian ini adalah data kualitatif dan data kuantitatif.

1. Data kualitatif diungkapkan dalam bentuk kalimat serta uraian-uraian, bahkan dapat berupa cerita pendek (Bungin, 2013: 124).
2. Data kuantitatif biasanya disimpulkan dengan angka-angka, data seperti ini biasanya hasil transformasi dari data kualitatif yang memiliki perbedaan berjenjang (Bungin, 2013: 126).

Data kualitatif yang termasuk dalam penelitian ini yaitu gambaran umum subjek penelitian. Sedangkan untuk data kuantitatif yang berupa angka dari laporan keuangan Manchester United yang diunduh di *website* resmi tim.

3.4 Metode Pengumpulan Data

Metode pengumpulan data adalah bagian instrumen pengumpulan data yang menentukan keberhasilan sebuah penelitian. Menurut Lofland dan Lofland dalam Moleong (2017), sumber data utama dalam penelitian kualitatif ialah kata-kata dan tindakan, selebihnya adalah data tambahan seperti dokumen dan lain-lain.

Metode pengumpulan data pada umumnya terdiri dari tiga jenis, yaitu wawancara, observasi dan dokumentasi. Pada penelitian ini metode pengumpulan data yang digunakan berupa dokumentasi berupa pengumpulan dokumen-dokumen kualitatif. Analisis terhadap dokumen merupakan salah satu metode terpenting pada penelitian kualitatif untuk mendapatkan data yang berasal dari catatan-catatan

tertulis. Dokumen menjadi penting manakala hendak meneliti bagaimana sebuah dokumen dihasilkan atau dipakai (Efferin dkk, 2004: 147).

Dokumen tersebut dibagi menjadi dua yaitu dokumen pribadi dan dokumen resmi (Bungin, 2013: 153). Peneliti menggunakan dokumen resmi berupa laporan keuangan tim Manchester United sebagai sumber referensi sehingga data-data yang diperoleh dapat diandalkan dan didukung oleh referensi lain dari jurnal dan buku. Berikut adalah tahapan dalam pengumpulan data:

1. Tahap pertama.

Pada tahap pertama, peneliti mengumpulkan data-data berupa laporan keuangan Manchester United, jurnal yang berkaitan dengan perlakuan akuntansi aset tidak berwujud, akuntansi untuk sumber daya manusia, akuntansi untuk pemain sepakbola serta penelitian terdahulu yang berkaitan dengan penelitian ini.

2. Tahap kedua.

Pada tahap kedua, peneliti melakukan pengklasifikasian terhadap data-data yang telah terkumpul berdasarkan rumusan masalah menjadi beberapa kelompok.

3. Tahap ketiga.

Pada tahap ketiga, terbentuk klasifikasi data yang sudah menjadi kelompok diantaranya:

1. Komponen terkait pengakuan *human assets* dalam laporan keuangan Manchester United.
2. Komponen terkait pengukuran *human assets* dalam laporan keuangan Manchester United.
3. Komponen terkait pengungkapan *human assets* dalam laporan keuangan Manchester United.
4. Komponen terkait penyajian *human assets* dalam laporan keuangan Manchester United.

3.5 Uji Keabsahan Data

Uji keabsahan data melalui validitas dan reliabilitas dalam penelitian kualitatif berbeda dengan penelitian kuantitatif. Menurut Gibbs (2007) dalam Creswell (2016: 269) validitas kualitatif merupakan upaya pemeriksaan terhadap akurasi hasil penelitian dengan menerapkan prosedur-prosedur tertentu, sementara itu reliabilitas kualitatif mengindikasikan bahwa pendekatan yang digunakan peneliti konsisten jika diterapkan oleh peneliti lain dan untuk proyek yang berbeda.

Terdapat empat kriteria yang harus dipenuhi guna keabsahan data dalam penelitian kualitatif yaitu derajat kepercayaan, keteralihan, ketergantungan, dan kepastian. Menurut Lincoln dan Guba dalam Bungin (2012: 59) standar atau kriteria dalam menjamin keabsahan data salah satunya kredibilitas dengan melakukan triangulasi, baik triangulasi metode, triangulasi sumber data, dan triangulasi pengumpul data.

Kriteria yang digunakan peneliti dalam penelitian ini ialah derajat kepercayaan dengan teknik pemeriksaan triangulasi dengan sumber data. Mentriangulasi sumber data informasi sama dengan memeriksa bukti-bukti yang berasal dari sumber berupa dokumen laporan keuangan dengan teori yang ada.

3.6 Teknik Analisis Data

Bogdan dan Biklen (1982) dalam Moleong (2017) menjelaskan bahwa analisis data kualitatif merupakan suatu upaya yang dilakukan peneliti untuk mengerjakan data. Data yang telah diperoleh akan diorganisasikan, dipilah-pilah menjadi satuan yang dapat dikelola, ditemukan polanya, dan diputuskan hal-hal yang penting yang akan diceritakan kepada orang lain.

Metode studi kasus bukanlah teknik analisis tunggal, karena studi kasus juga dibantu oleh teknik analisis lainnya dalam melakukan analisis-analisis data, khususnya teknik analisis domain. Dengan demikian, ketika melakukan analisis dapat menggunakan teknik analisis domain atau strategi analisis deskriptif (Bungin, 2014: 237). Tahapan-tahapan dalam analisis data metode studi kasus yaitu:

1. Tahap pertama.

Pengumpulan data-data dan teori-teori yang diperlukan dalam menunjang proses pengolahan data.

2. Tahap kedua.

Reduksi data terhadap data yang diperoleh dengan mengklarifikasikan data-data tersebut kedalam informasi atau ringkasan yang lebih mampu menyesuaikan kebutuhan penelitian.

3. Tahap ketiga.

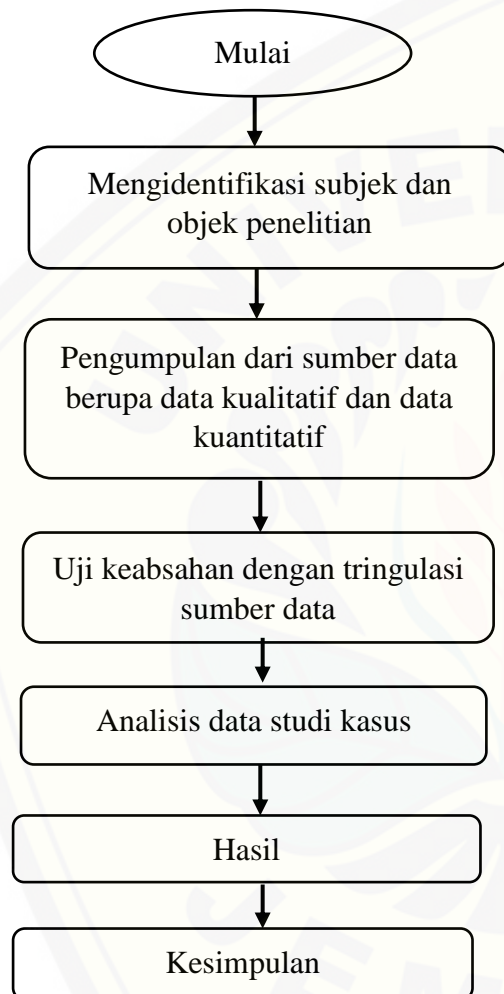
Penyajian data dilakukan setelah proses reduksi data. Penyajian data dapat berupa narasi deskriptif dengan memperhatikan kesinambungan antar informasi.

4. Tahap keempat.

Hasil yang telah terkumpul selanjutnya perlu ditinjau kembali guna menyepakati bahwa kesimpulan yang telah diambil memiliki tingkat kepercayaan yang tinggi serta mampu memberikan saran kepada pengembangan penelitian kedepannya.

3.7 Tahapan Penelitian

Tahapan penelitian merupakan gambaran tentang keseluruhan perencanaan, pelaksanaan pengumpulan data, analisis dan penafsiran data, sampai penulisan laporan (Moleong, 2017: 126).



Gambar 3.1 Kerangka Penelitian

BAB 5 PENUTUP

5.1 Kesimpulan

Penelitian ini dilakukan untuk melihat bagaimana pengakuan, pengukuran, pengungkapan, dan penyajian pemain sepak bola sebagai *human assets* dalam laporan keuangan tim Manchester United. Perlakuan akuntansi atas pemain sepak bola yang dimiliki tim Manchester United telah disajikan dalam laporan keuangan tahunan berdasarkan IAS 38 *Intangible assets*. Dengan catatan bahwa terdapat ketentuan di IAS 38 yang tidak sesuai dengan praktik yang dilakukan dalam laporan keuangan seperti nilai yang tercantum dalam akun *player's registration* adalah kapitalisasi dari nilai perolehan dan nilai kontrak pemain, selain itu tidak terdapat perincian besarnya nilai kontrak tiap pemain. Pengungkapan untuk pemain yang dihasilkan oleh akademi juga tidak dijelaskan dalam laporan keuangan Manchester United, padahal pemain dari akademi memiliki kriteria yang sama dengan aset tidak berwujud internal yang diperoleh dari tahap pengembangan. Pemain sepak bola kini tidak hanya dianggap sebagai beban tetapi juga sebagai aset tidak berwujud karena memiliki kriteria unik seperti daya pikir dan daya fisik. Aset pemain sepak bola ini nilainya sangat besar dari total aset secara keseluruhan sehingga mereka dapat dikatakan sebagai *human assets*. Pemain sepak bola yang dimiliki Manchester United dapat dikategorikan sebagai *human assets* karena perlakuan akuntansi untuk pemain-pemain tersebut sebagaimana besar sesuai dengan standar yang berlaku yaitu IAS 38.

Kesesuaian antara perlakuan akuntansi untuk pemain sepak bola Manchester United dengan IAS 38 *Intangible assets* seperti yang tercantum dalam Tabel 4.2 hanya dalam dua aspek yang tidak sesuai yakni pengukuran dan pengungkapan, di mana pengukuran dalam IAS 38 telah disebutkan bagaimana cara mengukur nilai untuk aset tidak berwujud dengan mencantumkan nilai perolehan sedangkan Manchester United mengukur pemainnya dengan mengkapitalisasi antara harga perolehan (transfer), nilai kontrak, dan beberapa aspek lain. Untuk pengungkapan, IAS 38 menyebutkan pengungkapan umum aset tidak berwujud internal. Apabila aset tidak berwujud dihasilkan dari tahap riset maka tidak boleh diakui berbeda

dengan tahap pengembangan. Manchester United dalam praktiknya tidak mengungkapkan bahwa ada pemain yang mereka miliki merupakan hasil dari pengembangan (akademi). Selanjutnya, masa manfaat atas aset tidak berwujud tidak diungkapkan dalam laporan keuangan namun dalam kontrak yang mengikat pemain tersebut, umumnya terdapat jangka waktu mereka bekerja sama dengan Manchester United.

5.2 Keterbatasan

Berdasarkan pengamatan atas kebijakan akuntansi untuk pemain sepak bola Manchester United penelitian yang dilakukan keterbatasan pada penelitian ini adalah:

1. Informasi nilai perolehan pemain yang didapat dari aktivitas transfer dan hasil didikan akademi tidak dijabarkan di *balance sheet* sehingga peneliti tidak mendapat data mengenai besarnya nilai transfer pemain yang dimiliki Manchester United. Apabila informasi tersebut termuat dalam laporan keuangan, peneliti dapat menghitung berapa nilai yang dapat dikapitalisasi untuk setiap pemain
2. Nilai perpanjangan kontrak juga tidak dimasukkan dalam laporan keuangan Manchester United PLC. Hal ini mengakibatkan peneliti hanya mengetahui amortisasi dari nilai perpanjangan kontrak secara keseluruhan sehingga amortisasi untuk setiap pemain tidak diketahui.

5.3 Saran

Berdasarkan hasil dan pengamatan penelitian yang dilakukan, berikut adalah saran yang dapat digunakan penelitian selanjutnya:

1. Penelitian selanjutnya dapat menggunakan sampel tim-tim yang berada di kawasan Asia, khususnya Asia Tenggara. Hal ini diharapkan tim-tim di Indonesia mampu untuk mulai menerapkan akuntansi bagi pemain sepak bola yang dimiliki.
2. Penelitian selanjutnya dapat membandingkan laporan keuangan perusahaan tim-tim yang telah menerapkan IAS 38 bagi pemain spak bola yang dimiliki

dengan laporan keuangan tim Indonesia yang belum menerapkannya. Sebagai sarana pembandingan dan pembaruan atas pengakuan, pengukuran, pengungkapan, dan penyajian pemain sepak bola sebagai *human assets*.



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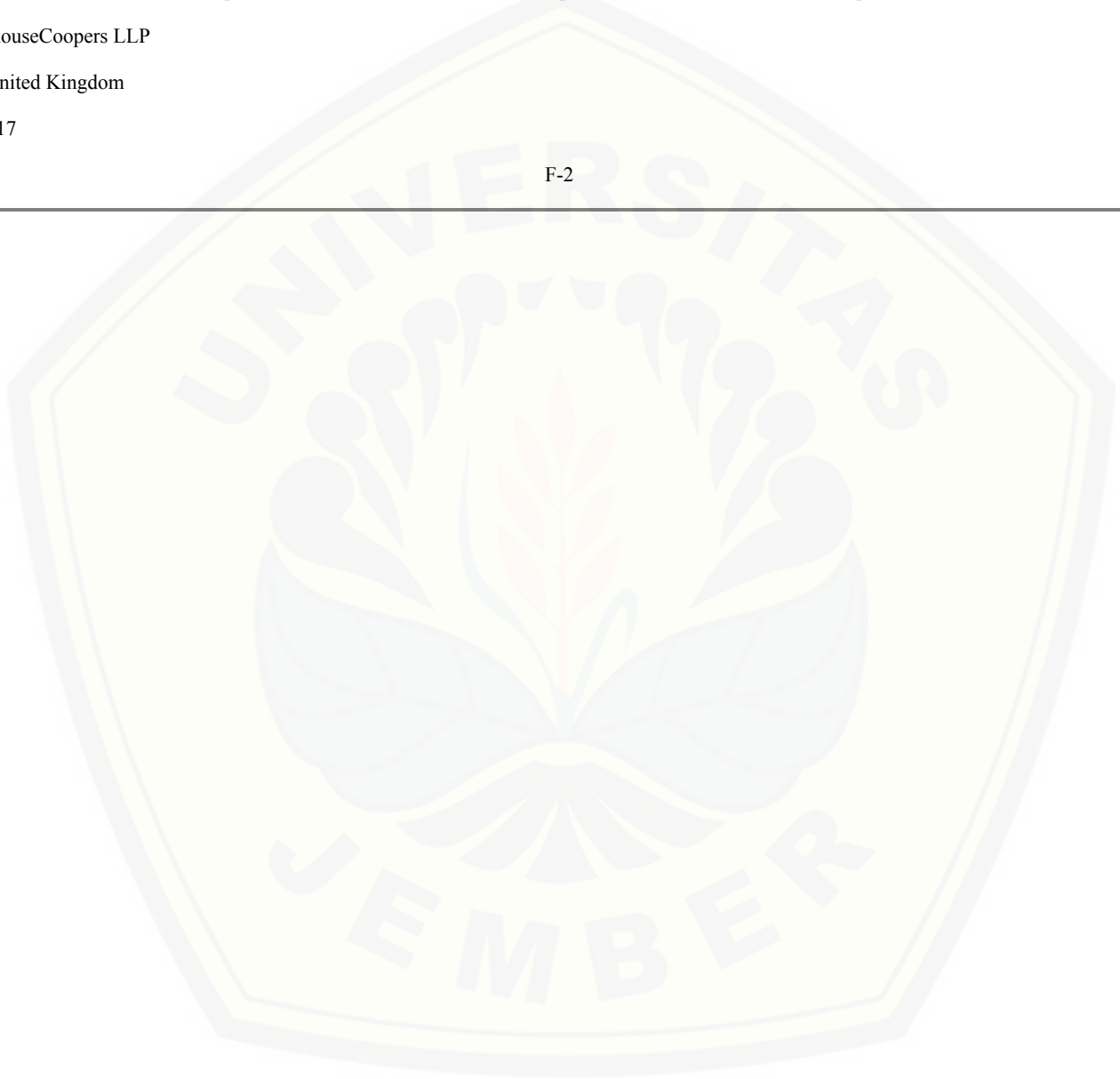
To the Board of Directors and Shareholders of Manchester United plc

In our opinion, the accompanying consolidated balance sheet and the related consolidated income statement, consolidated statements of comprehensive income, of changes in equity and of cash flows present fairly, in all material respects, the financial position of Manchester United plc and its subsidiaries as of 30 June 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended 30 June 2017 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Manchester, United Kingdom

13 October 2017



Consolidated income statement

	Note	Year ended 30 June		
		2017 £'000	2016 £'000	2015 £'000
Revenue	4	581,204	515,345	395,178
Operating expenses	5	(511,315)	(436,709)	(387,179)
Profit/(loss) on disposal of intangible assets	8	10,926	(9,786)	23,649
Operating profit		80,815	68,850	31,648
Finance costs		(25,013)	(20,459)	(35,419)
Finance income		736	442	204
Net finance costs	9	(24,277)	(20,017)	(35,215)
Profit/(loss) on ordinary activities before tax		56,538	48,833	(3,567)
Tax (expense)/credit	10	(17,361)	(12,462)	2,672
Profit/(loss) for the year		39,177	36,371	(895)
Earnings/(loss) per share during the year				
Basic earnings/(loss) per share (pence)	11	23.88	22.19	(0.55)
Diluted earnings/(loss) per share (pence)(1)	11	23.82	22.13	(0.55)

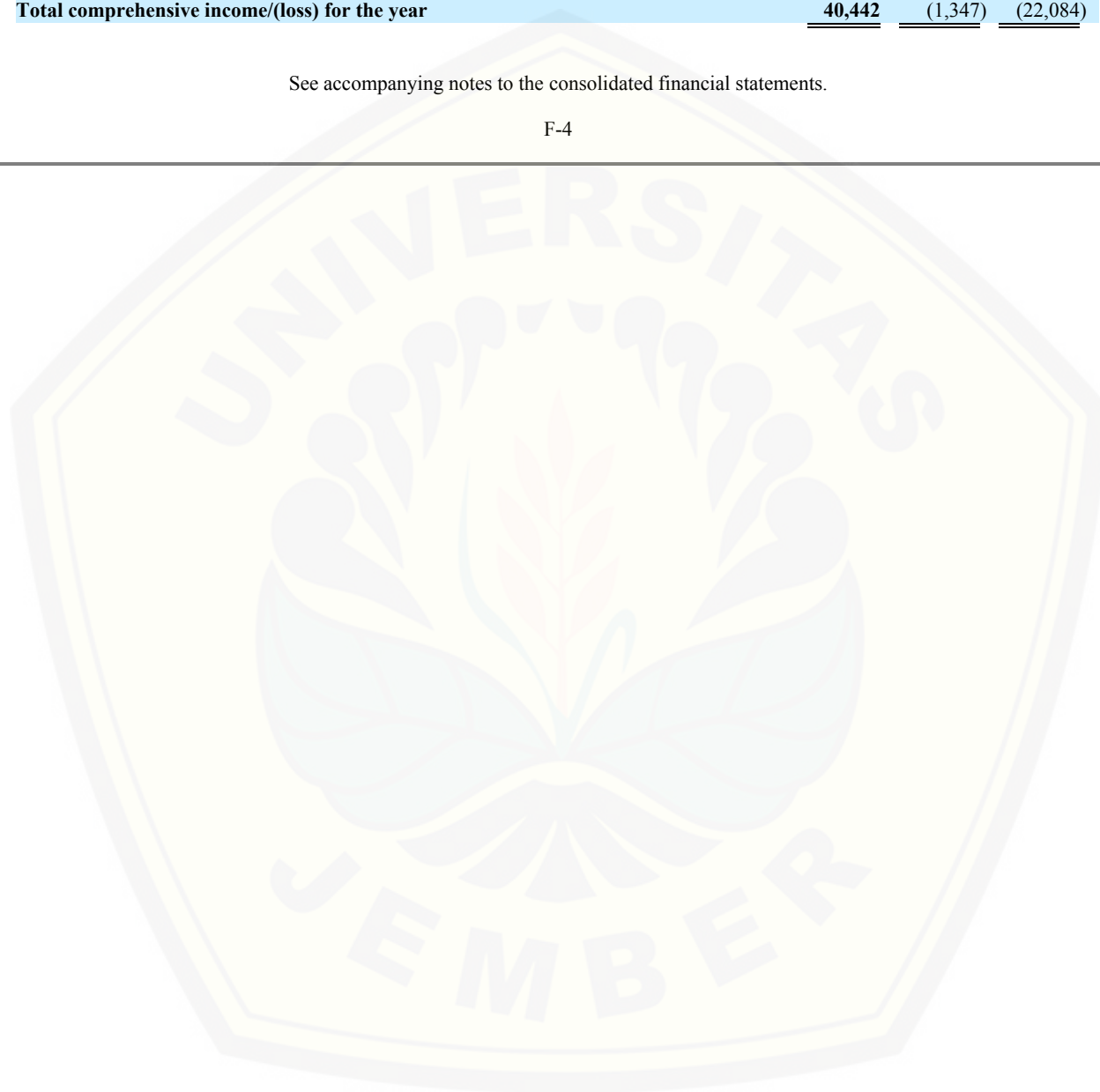
- (1) For the year ended 30 June 2015, potential ordinary shares are anti-dilutive, as their inclusion in the diluted loss per share calculation would reduce the loss per share, and hence have been excluded. For the years ended 30 June 2017 and 2016, potential ordinary shares have been treated as dilutive, as their inclusion in the diluted earnings per share calculation decreases earnings per share.

See accompanying notes to the consolidated financial statements.

Consolidated statement of comprehensive income

	Year ended 30 June		
	2017 £'000	2016 £'000	2015 £'000
Profit/(loss) for the year	39,177	36,371	(895)
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges (note 31.2)	1,946	(58,025)	(32,602)
Tax (expense)/credit relating to cash flow hedges (note 31.2)	(681)	20,307	11,413
Other comprehensive income/(loss) for the year, net of tax	1,265	(37,718)	(21,189)
Total comprehensive income/(loss) for the year	40,442	(1,347)	(22,084)

See accompanying notes to the consolidated financial statements.



Consolidated balance sheet

	Note	As of 30 June	
		2017 £'000	2016 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	244,738	245,714
Investment property	14	13,966	13,447
Intangible assets	15	717,544	665,634
Derivative financial instruments	18	1,666	3,760
Trade and other receivables	19	15,399	11,223
Deferred tax asset	25	142,107	145,460
		<u>1,135,420</u>	<u>1,085,238</u>
Current assets			
Inventories	16	1,637	926
Derivative financial instruments	18	3,218	7,888
Trade and other receivables	19	103,732	128,657
Cash and cash equivalents	20	290,267	229,194
		<u>398,854</u>	<u>366,665</u>
Total assets		<u>1,534,274</u>	<u>1,451,903</u>

See accompanying notes to the consolidated financial statements.

Consolidated balance sheet (continued)

	Note	As of 30 June	
		2017 £'000	2016 £'000
EQUITY AND LIABILITIES			
Equity			
Share capital	21	53	52
Share premium		68,822	68,822
Merger reserve		249,030	249,030
Hedging reserve		(31,724)	(32,989)
Retained earnings		191,436	173,367
Total equity		477,617	458,282
Non-current liabilities			
Derivative financial instruments	18	655	10,637
Trade and other payables	23	83,587	41,450
Borrowings	24	497,630	484,528
Deferred revenue		39,648	38,899
Deferred tax liabilities	25	20,828	14,364
		642,348	589,878
Current liabilities			
Derivative financial instruments	18	1,253	2,800
Tax liabilities		9,772	6,867
Trade and other payables	23	190,315	199,668
Borrowings	24	5,724	5,564
Deferred revenue		207,245	188,844
		414,309	403,743
Total equity and liabilities		1,534,274	1,451,903

See accompanying notes to the consolidated financial statements.

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2014	<u>52</u>	<u>68,822</u>	<u>249,030</u>	<u>25,918</u>	<u>154,828</u>	<u>498,650</u>
Loss for the year	—	—	—	—	(895)	(895)
Cash flow hedges	—	—	—	(32,602)	—	(32,602)
Tax expense relating to cash flow hedges	—	—	—	11,413	—	11,413
Total comprehensive loss for the year	—	—	—	(21,189)	(895)	(22,084)
Equity-settled share-based payments (note 22)	—	—	—	—	1,352	1,352
Balance at 30 June 2015	<u>52</u>	<u>68,822</u>	<u>249,030</u>	<u>4,729</u>	<u>155,285</u>	<u>477,918</u>
Profit for the year	—	—	—	—	36,371	36,371
Cash flow hedges	—	—	—	(58,025)	—	(58,025)
Tax credit relating to cash flow hedges	—	—	—	20,307	—	20,307
Total comprehensive loss for the year	—	—	—	(37,718)	36,371	(1,347)
Equity-settled share-based payments (note 22)	—	—	—	—	1,795	1,795
Dividends paid (note 12)	—	—	—	—	(20,084)	(20,084)
Balance at 30 June 2016	<u>52</u>	<u>68,822</u>	<u>249,030</u>	<u>(32,989)</u>	<u>173,367</u>	<u>458,282</u>
Profit for the year	—	—	—	—	39,177	39,177
Cash flow hedges	—	—	—	1,946	—	1,946
Tax expense relating to cash flow hedges	—	—	—	(681)	—	(681)
Total comprehensive income for the year	—	—	—	1,265	39,177	40,442
Equity-settled share-based payments (note 22)	—	—	—	—	2,187	2,187
Dividends paid (note 12)	—	—	—	—	(23,295)	(23,295)
Proceeds from shares issued (note 21)	1	—	—	—	—	1
Balance at 30 June 2017	<u>53</u>	<u>68,822</u>	<u>249,030</u>	<u>(31,724)</u>	<u>191,436</u>	<u>477,617</u>

Movements on the hedging reserve are provided in note 31.2.

See accompanying notes to the consolidated financial statements.

Consolidated statement of cash flows

	Note	Year ended 30 June		
		2017 £'000	2016 £'000	2015 £'000
Cash flows from operating activities				
Cash generated from operations	26	251,759	200,864	195,021
Interest paid		(19,523)	(13,219)	(42,624)
Debt finance costs relating to borrowings		—	—	(6,508)
Interest received		736	487	502
Tax paid		(5,312)	(2,040)	(2,466)
Net cash generated from operating activities		227,660	186,092	143,925
Cash flows from investing activities				
Payments for property, plant and equipment		(8,373)	(5,101)	(5,466)
Proceeds from sale of property, plant and equipment		—	19	—
Payments for investment property		(641)	—	—
Payments for intangible assets(1)		(193,825)	(138,095)	(117,446)
Proceeds from sale of intangible assets		51,871	38,357	20,649
Net cash used in investing activities		(150,968)	(104,820)	(102,263)
Cash flows from financing activities				
Proceeds from borrowings		—	—	272,539
Repayment of borrowings		(395)	(371)	(227,950)
Dividends paid		(23,295)	(20,084)	—
Net cash (used in)/generated from financing activities		(23,690)	(20,455)	44,589
Net increase in cash and cash equivalents		53,002	60,817	86,251
Cash and cash equivalents at beginning of year		229,194	155,752	66,365
Exchange gains on cash and cash equivalents		8,071	12,625	3,136
Cash and cash equivalents at end of year	20	290,267	229,194	155,752

- (1) Payments for intangible assets primarily relate to player and key football management staff registrations. When acquiring players' and key football management staff registrations it is normal industry practice for payments terms to spread over more than one year. During the year ended 30 June 2017 registrations additions totalled £205,091,000 (2016: £167,089,000; 2015: £150,914,000)—see note 15. Trade payables in relation to the acquisition of registrations at the balance sheet date are provided in note 23.

See accompanying notes to the consolidated financial statements.

1 General information

Manchester United plc (the "Company") and its subsidiaries (together the "Group") is a professional football club together with related and ancillary activities. The Company incorporated under the Companies Law (2011 Revision) of the Cayman Islands, as amended and restated from time to time. The address of its principal executive office is Sir Matt Busby Way, Old Trafford, Manchester M16 0RA, United Kingdom. The Company's shares are listed on the New York Stock Exchange.

These financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

These financial statements were approved by the Audit Committee on 13 October 2017.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Manchester United plc have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRS IC") interpretations. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments) which are recognized at fair value through profit and loss, unless cash flow hedge accounting applies.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.1.1 Changes in accounting policy and disclosures

a) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 July 2016, have had a material impact on the consolidated financial statements of the Group.

b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except as set out below.

- IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The impact of IFRS 9 is currently being assessed,

2 Summary of significant accounting policies (Continued)

however, management does not expect the new standard to have a significant effect on the classification and measurement of financial assets and financial liabilities and it would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of IFRS 9. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of adoption of the new standard. The Group expects to adopt IFRS 9 from 1 July 2018.

- IFRS 15, "Revenue from contracts with customers", deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from an entity's contracts with customers. The impact of IFRS 15 is currently being assessed by management. Implementation of IFRS 15 requires a thorough review of existing contractual arrangements. At present, the Group anticipates there may be some changes in the recognition of revenue although the amounts involved are immaterial. The Group expects to adopt IFRS 15 from 1 July 2018.
- IFRS 16, "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. As at the reporting date, the Group has non-cancellable operating lease commitments, however, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. The Group expects to adopt IFRS 16 from 1 July 2019.

2.2 Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of

2 Summary of significant accounting policies (Continued)

the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

The Group has one reportable segment, being the operation of a professional football club. The Chief Operating Decision Maker (being the Board and executive officers of Manchester United plc), who is responsible for allocating resources and assessing performance obtains financial information, being the Consolidated income statement, Consolidated balance sheet and Consolidated statement of cash flows, and the analysis of changes in net debt, about the Group as a whole. The Group has investment property, however, this is not considered to be a material business segment and is therefore not reported as such.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in pounds sterling, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where settlements of such transactions, and from the translation at year-end exchange rates items, are re-measured. Foreign exchange gains and losses resulting from the settlement of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to unhedged borrowings are presented in the income statement within finance costs or income. All other foreign exchange gains and losses are presented in the income statement within operating expenses.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction); and

Notes to the consolidated financial statements (Continued)

2 Summary of significant accounting policies (Continued)

(iii) all resulting exchange differences are recognized in other comprehensive income.

On disposal of a foreign operation any cumulative exchange differences held in equity are reclassified to the income statement.

d) Exchange rates

The most important exchange rates per £1.00 that have been used in preparing the financial statements are:

	Closing rate			Average rate		
	2017	2016	2015	2017	2016	2015
Euro	1.1379	1.2009	1.4102	1.1663	1.3363	1.3180
US Dollar	1.2988	1.3332	1.5712	1.2774	1.4774	1.5815

2.5 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable from the Group's principal activities excluding transfer fees and value added tax. The Group's principal revenue streams are Commercial, Broadcasting and Matchday. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below.

a) Commercial

Commercial revenue (whether settled in cash or value in kind) comprises revenue receivable from the exploitation of the Manchester United brand through sponsorship and other commercial agreements, including minimum guaranteed revenue, revenue receivable from retailing Manchester United branded merchandise in the UK and licensing the manufacture, distribution and sale of such goods globally, and fees for the Manchester United first team undertaking tours.

For sponsorship contracts any additional revenue receivable over and above the minimum guaranteed revenue contained in the sponsorship and licensing agreements is taken to revenue when a reliable estimate of the future performance of the contract can be obtained and it is probable that the amounts will not be recouped by the sponsor in future years.

Revenue is recognized over the term of the sponsorship agreement in line with the performance obligations included within the contract and based on the sponsorship rights enjoyed by the individual sponsor. In instances where the sponsorship rights remain the same over the duration of the contract, revenue is recognized on a straight-line basis. In respect of contracts with multiple elements, the Group allocates the total consideration receivable to each separately identifiable element based on their relative fair values, and then recognizes the allocated revenue on a straight-line basis over the relevant period of each element.

The Group has a 10-year agreement with adidas which began on 1 August 2015. The minimum guarantee payable by adidas over the term of the agreement is £750 million, subject to certain adjustments. Payments due in a particular year may increase if the club's first team wins the Premier League, FA Cup or Champions League, or decrease if the club's first team fails to participate in the Champions League for two or more consecutive seasons with the maximum possible increase being £4 million per year and the maximum possible reduction being 30% of the applicable payment for the

2 Summary of significant accounting policies (Continued)

year in which the second or other consecutive season of non-participation falls. Revenue is currently being recognized based on management's estimate that the full minimum guarantee amount will be received, as management does not expect two consecutive seasons of non-participation in the Champions League.

Retail revenue is recognized at the point of sale while license revenue is recognized in the period in which the goods and services are provided.

Mobile & content revenue is recognized over the term of the commercial agreement in line with the performance obligations included within the contract and based on the commercial rights enjoyed by the individual partner. In instances where the commercial rights remain the same over the duration of the contract, revenue is recognized on a straight-line basis.

Commercial revenue which is received in advance of a period end but relating to future periods is treated as deferred revenue. The deferred revenue is then released to revenue on an accruals basis in accordance with the substance of the relevant agreements.

b) Broadcasting

Broadcasting revenue represents revenue receivable from all UK and overseas broadcasting contracts, including contracts negotiated centrally by the Premier League and UEFA.

Distributions from the Premier League comprise a fixed element (which is recognized evenly as domestic home league matches are played), facility fees for live coverage and highlights of domestic home and away matches (which are recognized when the respective match is played), and merit awards (based on finishing position in the league, which are recognized when they are known at the end of each football season).

Distributions from UEFA relating to participation in UEFA competitions comprise market pool payments (which are recognized over the matches played in the competition, a portion of which reflects Manchester United's performance relative to the other Premier League clubs in the competition) and fixed amounts for participation in individual matches (which are recognized when the matches are played).

Broadcasting revenue which is received in advance of a period end but relating to future periods is treated as deferred revenue. The deferred revenue is then released to revenue on an accruals basis in accordance with the substance of the relevant agreements.

c) Matchday

Matchday revenue is recognized based on matches played throughout the year with revenue from each match being recognized only when the match has been played. Revenue from related activities such as Conference and Events or the Museum is recognized as the event or service is provided or the facility is used.

Matchday revenue includes revenue receivable from all domestic and European match day activities from Manchester United games at Old Trafford, together with the Group's share of gate receipts from domestic cup matches not played at Old Trafford, and fees for arranging other events at the Old Trafford stadium. As the Group acts as the principal in the sale of match tickets, the share of gate receipts payable to the other participating club and competition organiser for domestic cup matches played at Old Trafford is treated as an operating expense.

Notes to the consolidated financial statements (Continued)

2 Summary of significant accounting policies (Continued)

Matchday revenue which is received in advance of a period end but relating to future periods (mainly the sale of seasonal facilities for first team matches at Old Trafford) is treated as deferred revenue. The deferred revenue is then released to revenue as the matches are played.

d) Finance income

Finance income is recognized using the effective interest rate method.

e) Accrued revenue

Revenue from matchday activities, broadcasting and commercial contracts, which is received after the period to which it relates, is accrued as earned.

f) Deferred revenue

Revenue from matchday activities, broadcasting and commercial contracts, received or receivable prior to the period end in respect of future periods, is deferred.

2.6 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Rentals receivable under sub-tenancy agreements (net of any incentives given to the lessee) are credited to the income statement on a straight-line basis over the lease term. The risk and rewards of ownership on the sub-let property remain with the third party lessor.

2.7 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2.8 Pension costs

The Group is one of a number of participating employers in The Football League Limited Pension and Life Assurance Scheme ('the scheme'—see note 30.1). The Group is unable to identify its share of the assets and liabilities of the scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme. The Group's contributions into this scheme are reflected within the income statement when they fall due. Full provision has been made for the additional contributions that the Group has been requested to pay to help fund the scheme deficit.

The Group also operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The Group's contributions into this scheme are reflected within the income statement when they fall due.

2 Summary of significant accounting policies (Continued)

2.9 Share-based payments

The Group operates a share-based compensation plan under which the entity receives services from employees as consideration for equity instruments of the Group.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

For cash-settled share-based payments to employees, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Details regarding the determination of the fair value of share-based transactions are set out in note 22.

2.10 Current and deferred tax

The tax expense or credit for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income, in which case the tax is also recognized in other comprehensive income.

The current tax expense or credit is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Although the Company is organized as a Cayman Islands corporation, it reports as a US domestic corporation for US federal income tax purposes and is subject to US federal income tax on the Group's worldwide income. In addition, the Group is subject to income and other taxes in various other jurisdictions, including the UK. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to (or recovered from) the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Summary of significant accounting policies (Continued)

2.11 Dividend distribution

Dividend distributions to the Company's shareholders are recognized when they become legally payable. In the case of interim dividends, this is when they are paid.

2.12 Property, plant and equipment

Property, plant and equipment is initially measured at cost (comprising the purchase price, after deducting discounts and rebates, and any directly attributable costs) and is subsequently carried at cost less accumulated depreciation and any provision for impairment.

Subsequent costs, for example, capital improvements and refurbishment, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Where appropriate, the carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. With the exception of freehold property acquired before 1 August 1999, depreciation is calculated using the straight-line method to write-down assets to their residual value over the estimated useful lives as follows:

Freehold property	75 years
Computer equipment and software (included within Plant and machinery)	3 years
Plant and machinery	4 - 5 years
Fixtures and fittings	7 years

Freehold property acquired before 1 August 1999 is depreciated on a reducing balance basis at an annual rate of 1.33%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment charges arising are recognized in the income statement when the carrying amount of an asset is greater than the estimated recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use, and are calculated with reference to future discounted cash flows that the asset is expected to generate when considered as part of a cash-generating unit. Prior impairments are reviewed for possible reversal at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within operating expenses within the income statement.

2.13 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

2 Summary of significant accounting policies (Continued)

Investment property is initially measured at cost (comprising the purchase price, after deducting discounts and rebates, and any directly attributable costs) and is subsequently carried at cost less accumulated depreciation and any provision for impairment. Investment property is depreciated using the straight-line method over 50 years.

Investment properties are reviewed for impairment when there is a triggering event such as a decline in the property market. An impairment charge is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Prior impairments are reviewed for possible reversal at each balance sheet date. If an impairment charge 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 charge been recognized for the asset in prior years.

2.14 Intangible assets—goodwill*a) Initial recognition*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

b) Impairment

Management considers there to be one material cash generating unit for the purposes of the annual impairment review, being the operation of a professional football club.

Goodwill is not subject to amortization and is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognized in the income statement when the carrying value of goodwill exceeds its recoverable amount. Its recoverable amount is the higher of fair value less costs of disposal and value in use. Prior impairments are not subsequently reviewed for possible reversal at each balance sheet date.

2.15 Intangible assets—registrations and football staff remuneration*a) Remuneration*

Remuneration is charged to operating expenses on a straight-line basis over the contract periods based on the amount payable to players and key football management staff for that period. Any performance bonuses are recognized when the Company considers that it is probable that the condition related to the payment will be achieved.

Signing-on fees are typically paid to players and key football management staff in equal annual installments over the term of the contract. Installments are paid at or near the beginning of each financial year and recognized as prepayments within trade and other receivables. They are subsequently charged to the income statement (as operating expenses) on a straight-line basis over the financial year. Signing-on fees paid form part of cash flows from operating activities.

Loyalty fees are bonuses which are paid to players and key football management staff either at the beginning of a renewed contract or in installments over the term of their contract in recognition for either past or future performance. Loyalty bonuses for past service are typically paid in a lump sum amount upon renewal of a contract. These loyalty bonuses require no future service and are not subject to any claw-back provisions were the individual to subsequently leave the club during their new contract

2 Summary of significant accounting policies (Continued)

term. They are expensed once the Company has a present legal or constructive obligation to make the payment. Loyalty bonuses for ongoing service are typically paid in arrears in equal annual installments over the term of the contract. These are paid at the beginning of the next financial year and the related charge is recognized within operating expenses in the income statement on a straight-line basis over the current financial year.

b) Initial recognition

The costs associated with the acquisition of players' and key football management staff registrations are capitalized at the fair value of the consideration payable. Costs include transfer fees, PL levy fees, agents' fees incurred by the club and other directly attributable costs. Costs also include the fair value of any contingent consideration, which is primarily payable to the player's former club (with associated levy fees payable to the PL), once payment becomes probable. Subsequent reassessments of the amount of contingent consideration payable are also included in the cost of the player's registration. The estimate of the fair value of the contingent consideration payable requires management to assess the likelihood of specific performance conditions being met which would trigger the payment of the contingent consideration. This assessment is carried out on an individual player basis. The additional amount of contingent consideration potentially payable, in excess of the amounts included in the cost of registrations, is disclosed in note 29.2. Costs are fully amortized using the straight-line method over the period covered by the player's and key football management staff contract.

c) Renegotiation

Where a contract is extended, any costs associated with securing the extension are added to the unamortized balance (at the date of the amendment) and the revised book value is amortized over the remaining revised contract life.

d) Disposals and loan income

Assets available for sale (principally players' registrations) are classified as assets held for sale when their carrying value is expected to be recovered principally through a sale transaction and a sale is considered to be highly probable. Highly probable is defined as being actively marketed by the club, with unconditional offers having been received prior to a period end. These assets would be stated at the lower of the carrying amount and fair value less costs to sell.

Gains and losses on disposal of players' and key football management staff registrations are determined by comparing the fair value of the consideration receivable, net of any transaction costs, with the carrying amount and are recognized separately in the income statement within profit on disposal of intangible assets. Where a part of the consideration receivable is contingent on specified performance conditions, this amount is recognized in the income statement when receipt is virtually certain.

Loan income on players temporarily loaned to other football clubs is recognized separately in the income statement within profit/(loss) on disposal of intangible assets.

2 Summary of significant accounting policies (Continued)*e) Impairment*

Management does not consider that it is possible to determine the value in use of an individual player or key football management staff in isolation as that individual (unless via a sale or insurance recovery) cannot generate cash flows on his own. While management does not consider any individual can be separated from the single cash generating unit ("CGU"), being the operations of the Group as a whole, there may be certain circumstances where an individual is taken out of the CGU, when it becomes clear that they will not participate with the club's first team again, for example, a player sustaining a career threatening injury or is permanently removed from the first team playing squad for another reason. If such circumstances were to arise, the carrying value of the individual would be assessed against the Group's best estimate of the individual's fair value less any costs to sell and an impairment charge made in operating expenses reflecting any loss arising.

2.16 Other intangible assets

Other intangible assets comprise website, mobile applications and trademark registration costs and are initially measured at cost and are subsequently carried at cost less accumulated amortization and any provision for impairment.

Amortization is calculated using the straight-line method to write-down assets to their residual value over the estimated useful lives as follows:

Website and mobile applications	5 years
Trademark registrations	10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

2.17 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gain or loss is recognized in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedging relationship. The Group designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group hedges the foreign exchange risk on a portion of contracted, and hence highly probable, future US dollar revenues whenever possible using a portion of the Group's US dollar net borrowings as the hedging instrument. Foreign exchange gains or losses arising on re-translation of the Group's US dollar net borrowings used in the hedge are initially recognized in other comprehensive income, rather than being recognized in the income statement immediately. The foreign exchange gains or losses arising on re-translation of the Group's unhedged US dollar borrowings are recognized in the income statement immediately.

The Group hedges its cash flow interest rate risk where appropriate using interest rate swaps at contract lengths consistent with the repayment schedule of the borrowings. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The effective portion of changes in the fair value of the interest rate swap is initially recognized in other

2 Summary of significant accounting policies (Continued)

comprehensive income, rather than being recognized in the income statement immediately. The gain or loss relating to any ineffective portion is recognized in the income statement immediately.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items. The Group uses a variety of methods to assess hedge effectiveness depending on the nature and type of the hedging relationship, including critical terms comparison, dollar offset method and regression analysis.

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

The fair values of various derivative instruments are disclosed in note 18. Movements on the hedging reserve in other comprehensive income are shown in the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to any ineffective portion is recognized immediately in the income statement.

Amounts previously recognized in other comprehensive income and accumulated in the hedging reserve within equity are reclassified to the income statement in the periods when the hedged item affects the income statement (for example, when the forecast transaction that is hedged takes place). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the hedged item is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.18 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods comprises cost of purchase and, where appropriate, other directly attributable costs. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.19 Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade and other receivables are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2 Summary of significant accounting policies (Continued)

2.20 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and, if applicable, other short-term highly liquid investments with original maturities of three months or less.

2.21 Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds of the issue.

The merger reserve arose as a result of reorganization transactions and represents the difference between the equity of the acquired company (Red Football Shareholder Limited) and the investment by the acquiring company (Manchester United plc). The hedging reserve is used to reflect the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges.

2.22 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Amounts payable are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

2.23 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

3 Critical accounting estimates and judgments

Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3 Critical accounting estimates and judgments (Continued)*a) Revenue recognition—minimum guarantee*

Minimum guaranteed revenue is recognized over the term of the sponsorship agreement in line with the performance obligations included within the contract and based on the sponsorship benefits enjoyed by the individual sponsor. In instances where the sponsorship rights remain the same over the duration of the contract, revenue is recognized on a straight-line basis.

The minimum guarantee payable by adidas is subject to certain adjustments. Payments due in a particular year may increase if the club's first team wins certain competitions or decrease if the club's first team fails to participate in the Champions League for two or more consecutive seasons with the reduction being 30% of the applicable payment for the year in which the second or other consecutive season of non-participation falls. Management's current best estimate is that the full minimum guarantee amount will be received, as management does not expect two consecutive seasons of non-participation in the Champions League.

b) Intangible assets—goodwill

The Group annually tests whether goodwill has suffered any impairment or more frequently if events or changes in circumstances indicate a potential impairment, in accordance with its accounting policy. The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculation. This calculation requires the use of estimates, both in arriving at the expected future cash flows and the application of a suitable discount rate in order to calculate the present value of these flows. These calculations have been carried out in accordance with the assumptions set out in note 15.

c) Intangible assets—registrations

The costs associated with the acquisition of players' and key football management staff registrations are capitalized at the fair value of the consideration payable, including an estimate of the fair value of any contingent consideration. Subsequent reassessments of the amount of contingent consideration payable are also included in the cost of the player's and key football management staff registration. The estimate of the fair value of the contingent consideration payable requires management to assess the likelihood of specific performance conditions being met which would trigger the payment of the contingent consideration. This assessment is carried out on an individual basis. The maximum additional amount that could be payable as of 30 June 2017 is disclosed in note 29.2.

The Group will perform an impairment review on intangible assets, including player and key football management staff registrations, if adverse events indicate that the amortized carrying value of the asset may not be recoverable. While no individual can be separated from the single cash generating unit ("CGU"), being the operations of the Group as a whole, there may be certain circumstances where an individual is taken out of the CGU, when it becomes clear that they will not participate with the club's first team again, for example, a player sustaining a career threatening injury or is permanently removed from the first team squad for another reason. If such circumstances were to arise, the carrying value of the individual would be assessed against the Group's best estimate of the individual's fair value less any costs to sell.

3 Critical accounting estimates and judgments (Continued)

d) *Tax*

Tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management establishes provisions where appropriate on the basis of amounts expected to be paid to (or recovered from) the tax authorities. From time to time the Group is involved in discussions with tax authorities in relation to ongoing tax matters and, where appropriate, provisions are made based on management's assessment of each case. Future tax expense or credit may be higher or lower than estimates made when determining whether it is appropriate to record a provision and the amount to be recorded. Furthermore, changes in the legislative framework or applicable tax case law may result in management reassessing the recognition of tax provisions in future periods.

e) *Recognition of deferred tax assets*

Deferred tax assets are recognized only to the extent that it is probable that the associated deductions will be available for use against future profits and that there will be sufficient future taxable profit available against which the temporary differences can be utilized, provided the asset can be reliably quantified. In estimating future taxable profit, management use "base case" approved forecasts which incorporate a number of assumptions, including a prudent level of future uncontracted revenue in the forecast period. In arriving at a judgment in relation to the recognition of deferred tax assets, management considers the regulations applicable to tax and advice on their interpretation. Future taxable income may be higher or lower than estimates made when determining whether it is appropriate to record a tax asset and the amount to be recorded. Furthermore, changes in the legislative framework or applicable tax case law may result in management reassessing the recognition of deferred tax assets in future periods.

4 Segment information

The principal activity of the Group is the operation of a professional football club. All of the activities of the Group support the operation of the football club and the success of the first team is critical to the ongoing development of the Group. Consequently the Chief Operating Decision Maker regards the Group as operating in one material segment, being the operation of a professional football club.

All revenue derives from the Group's principal activity in the United Kingdom. Revenue can be analysed into its three main components as follows:

	2017 £'000	2016 £'000	2015 £'000
Commercial	275,471	268,318	196,931
Broadcasting	194,098	140,440	107,664
Matchday	111,635	106,587	90,583
	581,204	515,345	395,178

Revenue derived from entities accounting for more than 10% of revenue in either 2017, 2016 or 2015 were as follows:

	2017 £'000	2016 £'000	2015 £'000
Premier League	147,875	99,767	100,534
adidas	79,214	72,746	—
General Motors (Chevrolet)	59,396	58,896	58,534

All non-current assets, other than US deferred tax assets, are held within the United Kingdom.

Notes to the consolidated financial statements (Continued)

5 Operating expenses

	2017 £'000	2016 £'000	2015 £'000
Employee benefit expense (note 7)	(263,464)	(232,242)	(202,561)
Operating lease costs	(2,316)	(2,392)	(2,631)
Auditors' remuneration: audit of parent company and consolidated financial statements	(27)	(26)	(23)
Auditors' remuneration: audit of the Company's subsidiaries	(476)	(436)	(382)
Auditors' remuneration: tax compliance services	(392)	(690)	(243)
Auditors' remuneration: other services	(456)	(143)	—
Foreign exchange (losses)/gains	(2,646)	7,760	(4,914)
Loss on disposal of property, plant and equipment	(43)	(126)	(5)
Depreciation—property, plant and equipment (note 13)	(10,106)	(9,967)	(10,212)
Depreciation—investment property (note 14)	(122)	(112)	(112)
Amortization (note 15)	(124,434)	(88,009)	(99,687)
Sponsorship, other commercial and broadcasting costs	(28,491)	(21,043)	(14,613)
External matchday costs	(26,892)	(22,244)	(14,683)
Property costs	(19,329)	(19,180)	(16,060)
Other operating expenses (individually less than £10,000,000)	(36,874)	(32,724)	(18,717)
Exceptional items (note 6)	4,753	(15,135)	(2,336)
	<u>(511,315)</u>	<u>(436,709)</u>	<u>(387,179)</u>

In addition to the auditors' remuneration charges disclosed above for the year ended 30 June 2015 are amounts of £609,000 relating to tax planning advice, general assurance and other advice in connection with the public sale of Class A ordinary shares and either charged as exceptional items when they are not directly attributable to the issue of new shares (see note 6) or offset against share premium when they are directly attributable to the issue of new shares, and advice in connection with the debt refinancing in June 2015 and either charged as finance costs or carried forward in the balance sheet as unamortized debt issue costs.

6 Exceptional items

	2017 £'000	2016 £'000	2015 £'000
Impairment reversal/(charge)—registrations (note 15)	4,753	(6,693)	—
Compensation paid for loss of office	—	(8,442)	—
Football League pension scheme deficit (note 30)	—	—	(1,247)
Professional adviser fees relating to public sale of Class A ordinary shares	—	—	(1,089)
	<u>4,753</u>	<u>(15,135)</u>	<u>(2,336)</u>

A registrations impairment charge amounting to £6,693,000 was originally made in the year ended 30 June 2016 in respect of a player who was no longer considered to be a member of the first team playing squad. This impairment was reversed during the year ended 30 June 2017 as the player was re-established as a member of the first team playing squad. The reversal was calculated to increase the carrying value of the player's registration to the value that would have been recognized had the original

Notes to the consolidated financial statements (Continued)

6 Exceptional items (Continued)

impairment not occurred (that is after taking account of normal amortization that would have been charged had no impairment occurred).

Compensation paid for loss of office relates to amounts payable to former team managers and certain members of the coaching staff.

The Football League pension scheme deficit reflects the present value of the additional contributions the Group is expected to pay to remedy the revised deficit of the scheme as per the latest triennial actuarial valuation at 31 August 2014.

Professional adviser fees relating to the public sale of Class A ordinary shares are recognized as an expense when they are not directly attributable to the issue of new shares or when a particular offer is no longer being pursued. The fees for the year ended 30 June 2015 include £359,000 relating to services provided by the Group's auditors.

7 Employees**7.1 Employee benefit expense and average number of people employed**

	2017 £'000	2016 £'000	2015 £'000
Wages and salaries (including bonuses)	(229,605)	(202,982)	(178,637)
Social security costs	(27,334)	(23,499)	(18,869)
Share-based payments (note 22)	(4,090)	(3,334)	(2,591)
Pension costs—defined contribution schemes (note 30.2)	(2,435)	(2,427)	(2,464)
	<u>(263,464)</u>	<u>(232,242)</u>	<u>(202,561)</u>

Details of the pension arrangements offered by the Company and the Group are disclosed in note 30.

The average number of employees during the year, including directors, was as follows:

	2017 Number	2016 Number	2015 Number
By activity:			
Football—players	74	74	73
Football—technical and coaching	136	94	89
Commercial	120	111	122
Media	90	94	89
Administration and other	445	426	440
Average number of employees	<u>865</u>	<u>799</u>	<u>813</u>

The Group also employs approximately 2,053 temporary staff on match days (2016: 2,124; 2015: 2,275), the costs of which are included in the employee benefit expense above.

Notes to the consolidated financial statements (Continued)

7 Employees (Continued)

7.2 Key management compensation

Key management includes directors (executive and non-executive) of the Company and executive directors and officers of the Group's main operating company, Manchester United Limited. The compensation paid or payable to key management for employee services, which is included in the employee benefit expense table above, is shown below:

	2017 £'000	2016 £'000	2015 £'000
Short-term employee benefits	(8,601)	(7,908)	(7,324)
Share-based payments	(3,654)	(3,131)	(2,366)
Post-employment benefits	(71)	(70)	(61)
	<u>(12,326)</u>	<u>(11,109)</u>	<u>(9,751)</u>

8 Profit/(loss) on disposal of intangible assets

	2017 £'000	2016 £'000	2015 £'000
Profit/(loss) on disposal of registrations	9,876	(9,786)	19,675
Player loan income	1,050	—	3,974
	<u>10,926</u>	<u>(9,786)</u>	<u>23,649</u>

9 Net finance costs

	2017 £'000	2016 £'000	2015 £'000
Interest payable on bank loans and overdrafts	(1,502)	(1,381)	(1,840)
Interest payable on secured term loan facility and senior secured notes	(18,784)	(17,306)	(21,055)
Amortization of issue costs on secured term loan facility and senior secured notes	(608)	(544)	(5,978)
Premium on repurchase of senior secured notes	—	—	(3,552)
Costs associated with debt financing	—	—	(1,443)
Foreign exchange gains/(losses) on retranslation of unhedged US dollar borrowings	1,816	(4,136)	(288)
Unwinding of discount relating to registrations	(2,401)	(2,380)	(2,708)
Fair value movements on derivative financial instruments:			
Embedded foreign exchange derivatives	(3,534)	5,288	1,280
Interest rate swaps	—	—	165
Total finance costs	<u>(25,013)</u>	<u>(20,459)</u>	<u>(35,419)</u>
Total finance income—interest receivable on short-term bank deposits	736	442	204
Net finance costs	<u>(24,277)</u>	<u>(20,017)</u>	<u>(35,215)</u>

Notes to the consolidated financial statements (Continued)

10 Tax (expense)/credit

	2017 £'000	2016 £'000	2015 £'000
Current tax:			
Current tax on profit/(loss) for the year	(19,722)	(4,633)	(223)
Adjustment in respect of previous years(1)	(2,651)	(2,476)	(547)
Foreign tax	(2,103)	(1,279)	(684)
Total current tax expense	<u>(24,476)</u>	<u>(8,388)</u>	<u>(1,454)</u>
Deferred tax:			
US deferred tax:			
Origination and reversal of temporary differences	(3,371)	(3,879)	(978)
Adjustment in respect of previous years(1)	1,782	5,039	152
Total US deferred tax (expense)/credit (note 25)	<u>(1,589)</u>	<u>1,160</u>	<u>(826)</u>
UK deferred tax:			
Origination and reversal of temporary differences	6,171	(5,258)	4,790
Adjustment in respect of previous years(1)	938	(2,687)	162
Impact of change in UK corporation tax rate	1,595	2,711	—
Total UK deferred tax credit/(expense) (note 25)	<u>8,704</u>	<u>(5,234)</u>	<u>4,952</u>
Total deferred tax credit/(expense)	<u>7,115</u>	<u>(4,074)</u>	<u>4,126</u>
Total tax (expense)/credit	<u>(17,361)</u>	<u>(12,462)</u>	<u>2,672</u>

A reconciliation of the total tax (expense)/credit is as follows:

	2017 £'000	2016 £'000	2015 £'000
Profit/(loss) before tax	<u>56,538</u>	<u>48,833</u>	<u>(3,567)</u>
Profit/(loss) before tax multiplied by US corporate tax rate of 35.0% (2016: 35.0%; 2015: 35.0%)	(19,789)	(17,092)	1,249
Tax effects of:			
Adjustment in respect of previous years(1)	69	(124)	(233)
Difference in tax rates on non US operations	244	(612)	48
Foreign exchange gains on US dollar denominated tax basis(2)	2,362	5,755	1,783
Expenses not deductible for tax purposes	(247)	(389)	(175)
Total tax (expense)/credit	<u>(17,361)</u>	<u>(12,462)</u>	<u>2,672</u>

- From time to time, the Group is involved in discussions in relation to ongoing matters with the relevant authorities. Where appropriate, the Directors make provisions based on their assessment of each case. In the year ended 30 June 2017 a provision was made in respect of ongoing enquiries relating to prior years. The impact in respect of the ongoing enquiries is to increase the UK current tax expense by £2,668,000 (2016: £2,302,000) and UK deferred tax expense by £76,000 (2016: £2,702,000). This is fully offset by a corresponding increase in the US deferred tax credit of £2,744,000 (2016: £5,004,000). The overall prior year adjustment credit of £69,000 (2016: expense of £124,000) relates to standard provision to tax return true ups.
- Foreign exchange gains on US dollar denominated tax basis arise because the associated deferred tax asset has to be retranslated at each balance sheet date.

Notes to the consolidated financial statements (Continued)

10 Tax (expense)/credit (Continued)

In addition to the amount recognized in the income statement, the following amounts relating to tax have been recognized directly in other comprehensive income:

	2017 £'000	2016 £'000	2015 £'000
Current tax	16,251	1,466	4
US deferred tax (note 25)	(1,764)	10,660	4,835
UK deferred tax (note 25)	(15,168)	8,181	6,574
Total tax (expense)/credit recognized in other comprehensive income	<u>(681)</u>	<u>20,307</u>	<u>11,413</u>

11 Earnings/(loss) per share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares in issue during the year.

	2017	2016	2015
Class A ordinary shares (thousands)	40,025	39,890	39,795
Class B ordinary shares (thousands)	124,000	124,000	124,000
	<u>164,025</u>	<u>163,890</u>	<u>163,795</u>
Profit/(loss) attributable to owners of the parent (£'000)	39,177	36,371	(895)
Basic earnings/(loss) per share (pence)	<u>23.88</u>	<u>22.19</u>	<u>(0.55)</u>

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share awards pursuant to the 2012 Equity Incentive Plan (the "Equity Plan"). Share awards pursuant to the Equity Plan are assumed to have been converted into ordinary shares at the beginning of the financial year.

	2017	2016	2015
Class A ordinary shares (thousands)	40,025	39,890	39,795
Adjustment for assumed conversion into Class A ordinary shares (thousands)	468	429	—(1)
Class B ordinary shares (thousands)	124,000	124,000	124,000
	<u>164,493</u>	<u>164,319</u>	<u>163,795</u>
Profit/(loss) attributable to owners of the parent (£'000)	39,177	36,371	(895)
Diluted earnings/(loss) per share (pence)	<u>23.82</u>	<u>22.13</u>	<u>(0.55)</u>

- (1) For the year ended 30 June 2015, potential ordinary shares are anti-dilutive, as their inclusion in the diluted loss per share calculation would reduce the loss per share, and hence have been excluded. For the years ended 30 June 2017 and 2016, potential ordinary shares have been treated as dilutive, as their inclusion in the diluted earnings per share calculation decreases earnings per share.

Notes to the consolidated financial statements (Continued)

12 Dividends

Dividends paid in the year were \$29,525,000 (2016: \$29,501,000; 2015: \$nil) equivalent to \$0.18 (2016: \$0.18; 2015: \$nil) per share. The pounds sterling equivalents were £23,295,000 (2016: £20,084,000; 2015: £nil) equivalent to £0.14 (2016: £0.12; 2015: £nil) per share.

13 Property, plant and equipment

	Freehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
At 1 July 2015				
Cost	270,047	39,826	40,269	350,142
Accumulated depreciation	(40,228)	(34,091)	(25,197)	(99,516)
Net book amount	229,819	5,735	15,072	250,626
Year ended 30 June 2016				
Opening net book amount	229,819	5,735	15,072	250,626
Additions	216	418	4,604	5,238
Transfers	(604)	600	4	—
Disposals	(19)	(133)	(31)	(183)
Depreciation charge	(3,486)	(2,379)	(4,102)	(9,967)
Closing net book amount	225,926	4,241	15,547	245,714
At 30 June 2016				
Cost	269,369	36,728	43,809	349,906
Accumulated depreciation	(43,443)	(32,487)	(28,262)	(104,192)
Net book amount	225,926	4,241	15,547	245,714
Year ended 30 June 2017				
Opening net book amount	225,926	4,241	15,547	245,714
Additions	3	1,578	7,592	9,173
Disposals	—	(7)	(36)	(43)
Depreciation charge	(3,301)	(2,427)	(4,378)	(10,106)
Closing net book amount	222,628	3,385	18,725	244,738
At 30 June 2017				
Cost	269,372	34,475	50,236	354,083
Accumulated depreciation	(46,744)	(31,090)	(31,511)	(109,345)
Net book amount	222,628	3,385	18,725	244,738

Freehold property primarily comprises the Old Trafford stadium and the Aon Training Complex.

Property, plant and equipment with a net book amount of £199,990,000 (2016: £213,200,000) has been pledged to secure the secured term loan facility and senior secured notes borrowings of the Group (see note 24).

Capital commitments at the balance sheet date are disclosed in note 29.1.

14 Investment property

	£'000
At 1 July 2015	
Cost	19,128
Accumulated depreciation and impairment	(5,569)
Net book amount	<u>13,559</u>
Year ended 30 June 2016	
Opening net book amount	13,559
Depreciation charge	(112)
Closing net book amount	<u>13,447</u>
At 30 June 2016	
Cost	19,128
Accumulated depreciation and impairment	(5,681)
Net book amount	<u>13,447</u>
Year ended 30 June 2017	
Opening net book amount	13,447
Additions	641
Depreciation charge	(122)
Closing net book amount	<u>13,966</u>
At 30 June 2017	
Cost	19,769
Accumulated depreciation and impairment	(5,803)
Net book amount	<u>13,966</u>

Investment property was externally valued as of 30 June 2017 in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation—Professional Standards, January 2014. The valuation supported the carrying amount as of 30 June 2017 and consequently there were no changes to the net book value. The external valuation was carried out on the basis of Market Value, as defined in the RICS Valuation—Professional Standards, January 2014. Fair value of investment property is determined using inputs that are not based on observable market data, consequently the asset is categorized as Level 3 (see note 31.4). The fair value of investment property as of 30 June 2017 was £14,868,000 (2016: £13,447,000).

The property rental revenue earned by the Group from its investment property amounted to £1,260,000 (2016: £1,336,000; 2015: £1,262,000). Direct operating expenses arising on investment property, all of which generated rental income, in the year amounted to £679,000 (2016: £652,000; 2015: £603,000). The future aggregate minimum rentals receivable under non-cancellable operating leases are disclosed in note 28.2.

Investment property with a net book amount of £6,660,000 (2016: £6,691,000) has been pledged to secure the secured bank loan borrowings of the Group (see note 24).

As of 30 June 2017, the Group had no contractual obligations to purchase, construct or develop investment property (2016: £nil). As of 30 June 2017, the Group had no material contractual obligations for repairs, maintenance or enhancements to investment property (2016: not material).

Notes to the consolidated financial statements (Continued)

15 Intangible assets

	Goodwill £'000	Registrations £'000	Other £'000	Total £'000
At 1 July 2015				
Cost	421,453	465,830	951	888,234
Accumulated amortization	—	(227,684)	(153)	(227,837)
Net book amount	421,453	238,146	798	660,397
Year ended 30 June 2016				
Opening net book amount	421,453	238,146	798	660,397
Additions	—	167,089	1,815	168,904
Disposals	—	(68,965)	—	(68,965)
Amortization charge	—	(87,853)	(156)	(88,009)
Impairment charge (note 6)	—	(6,693)	—	(6,693)
Closing book amount	421,453	241,724	2,457	665,634
At 30 June 2016				
Cost	421,453	511,893	2,766	936,112
Accumulated amortization	—	(270,169)	(309)	(270,478)
Net book amount	421,453	241,724	2,457	665,634
Year ended 30 June 2017				
Opening net book amount	421,453	241,724	2,457	665,634
Additions	—	205,091	3,853	208,944
Disposals	—	(37,353)	—	(37,353)
Amortization charge	—	(123,695)	(739)	(124,434)
Reversal of impairment (note 6)	—	4,753	—	4,753
Closing book amount	421,453	290,520	5,571	717,544
At 30 June 2017				
Cost	421,453	645,433	6,619	1,073,505
Accumulated amortization	—	(354,913)	(1,048)	(355,961)
Net book amount	421,453	290,520	5,571	717,544

Impairment tests for goodwill

Goodwill arose largely in relation to the Group's acquisition of Manchester United Limited in 2005. Goodwill is not subject to amortization and is tested annually for impairment (normally at the end of the third fiscal quarter) or more frequently if events or changes in circumstances indicate a potential impairment.

An impairment test has been performed on the carrying value of goodwill based on value-in-use calculations. The value-in-use calculations have used post-tax cash flow projections based on the financial budgets approved by management covering a five year period. The budgets are based on past experience in respect of revenues, variable and fixed costs, registrations and other capital expenditure and working capital assumptions. For each accounting period, cash flows beyond the five year period are extrapolated using a terminal growth rate of 2.5% (2016: 2.5%), which does not exceed the long term average growth rate for the UK economy in which the cash generating unit operates.

Notes to the consolidated financial statements (Continued)

15 Intangible assets (Continued)

The other key assumptions used in the value in use calculations for each period are the pre-tax discount rate, which has been determined at 8.6% (2016: 10.1%) for each period, and certain assumptions around progression in domestic and UEFA competitions, and registrations capital expenditure.

Management determined budgeted revenue growth based on historical performance and its expectations of market development. The discount rates are pre-tax and reflect the specific risks relating to the business.

The following sensitivity analysis was performed:

- increase the discount rate by 2% (post-tax);
- more prudent assumptions around qualification for UEFA competitions.

In each of these scenarios the estimated recoverable amount substantially exceeds the carrying value for the cash generating unit and accordingly no impairment was identified.

Having assessed the future anticipated cash flows, management believes that any reasonably possible changes in key assumptions would not result in an impairment of goodwill.

Registrations

The unamortized balance of existing registrations as of 30 June 2017 was £290.5 million, of which £125.3 million is expected to be amortized in the year ended 30 June 2018. The remaining balance is expected to be amortized over the three years to 30 June 2021. This does not take into account player additions after 30 June 2017, which would have the effect of increasing the amortization expense in future periods, nor does it consider disposals subsequent to 30 June 2017, which would have the effect of decreasing future amortization charges. Furthermore, any contract renegotiations would also impact future charges.

Other intangible assets

Other intangible assets include internally generated assets whose cost and accumulated amortization as of 30 June 2017 was £1,026,000 and £nil respectively (2016: £585,000 and £nil respectively).

Capital commitments at the balance sheet date are disclosed in note 29.1.

16 Inventories

	2017 £'000	2016 £'000
Finished goods	1,637	926

The cost of inventories recognized as an expense and included in operating expenses for the year amounted to £8,598,000 (2016: £7,228,000; 2015: £nil).

Reversal/write-down of inventories to net realizable value amounted to a reversal of £173,000 (2016: write-down of £177,000; 2015: £nil). These were recognized as a credit (reversal) or expense (write-down) during the year and included in operating expenses.

Notes to the consolidated financial statements (Continued)

17 Financial instruments by category

	Note	2017 £'000	2016 £'000
Assets as per balance sheet			
At fair value through profit and loss:			
Derivative financial instruments	18	4,884	11,648
Loans and receivables:			
Trade and other receivables excluding prepayments(1)	19	105,631	127,275
Cash and cash equivalents	20	290,267	229,194
		<u>400,782</u>	<u>368,117</u>
Liabilities as per balance sheet			
Derivatives used for hedging:			
Derivative financial instruments	18	655	9,710
At fair value through profit and loss:			
Derivative financial instruments	18	1,253	3,727
Other financial liabilities at amortized cost:			
Trade and other payables excluding social security and other taxes(2)	23	255,779	225,354
Borrowings	24	503,354	490,092
		<u>761,041</u>	<u>728,883</u>

- (1) Prepayments are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.
- (2) Social security and other taxes are excluded from the trade and other payables balance, as this analysis is required only for financial instruments.

The Group's exposure to various risks associated with the financial instruments is discussed in note 31. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Notes to the consolidated financial statements (Continued)

18 Derivative financial instruments

	2017		2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Derivatives used for hedging:				
Interest rate swaps	—	(655)	—	(9,710)
Derivatives at fair value through profit or loss:				
Embedded foreign exchange derivatives	1,714	—	5,248	—
Forward foreign exchange contracts	3,170	(1,253)	6,400	(3,727)
	<u>4,884</u>	<u>(1,908)</u>	<u>11,648</u>	<u>(13,437)</u>
Less non-current portion:				
Derivatives used for hedging:				
Interest rate swaps	—	(655)	—	(9,710)
Derivatives at fair value through profit or loss:				
Embedded foreign exchange derivatives	855	—	3,052	—
Forward foreign exchange contracts	811	—	708	(927)
Non-current derivative financial instruments	<u>1,666</u>	<u>(655)</u>	<u>3,760</u>	<u>(10,637)</u>
Current derivative financial instruments	<u>3,218</u>	<u>(1,253)</u>	<u>7,888</u>	<u>(2,800)</u>

The ineffective portion recognized in profit or loss that arises from cash flow hedges amounts to £nil (2016: £nil).

Further details of derivative financial instruments are provided in note 31.

19 Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables	90,719	116,242
Less: provision for impairment of trade receivables	(14,113)	(6,451)
Net trade receivables	76,606	109,791
Other receivables	270	927
Accrued revenue	28,755	16,557
	<u>105,631</u>	<u>127,275</u>
Prepayments	13,500	12,605
	<u>119,131</u>	<u>139,880</u>
Less: non-current portion:		
Trade receivables	15,399	11,223
Non-current trade and other receivables	<u>15,399</u>	<u>11,223</u>
Current trade and other receivables	<u>103,732</u>	<u>128,657</u>

Net trade receivables include transfer fees receivable from other football clubs of £46,343,000 (2016: £46,646,000) of which £15,399,000 (2016: £11,223,000) is receivable after more than one year. Net trade receivables also include £26,241,000 (2016: £54,860,000) of deferred revenue that is

Notes to the consolidated financial statements (Continued)

19 Trade and other receivables (Continued)

contractually payable to the Group, but recorded in advance of the earnings process, with corresponding amounts recorded as deferred revenue liabilities.

Information about the impairment of trade and other receivables, their credit quality and the Group's exposure to foreign currency risk, interest rate risk and credit risk can be found in note 31.

The fair value of net trade receivables as at 30 June 2017 was £77,351,000 (2016: £110,085,000) before discounting of cash flows. The fair value of other receivables is not materially different to their carrying amount.

20 Cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	290,267	229,194

Cash and cash equivalents for the purposes of the consolidated statement of cash flows are as above.

21 Share capital

	Number of shares (thousands)	Ordinary shares £'000
At 1 July 2015	163,873	52
Employee share-based compensation awards—issue of shares	152	—
At 30 June 2016	164,025	52
Employee share-based compensation awards—issue of shares	170	1
At 30 June 2017	164,195	53

The Company has two classes of ordinary shares outstanding: Class A ordinary shares and Class B ordinary shares, each with a par value of \$0.0005 per share. The rights of the holders of Class A ordinary shares and Class B ordinary shares are identical, except with respect to voting and conversion. Each Class A ordinary share is entitled to one vote per share and is not convertible into any other shares. Each Class B ordinary share is entitled to 10 votes per share and is convertible into one Class A ordinary share at any time. In addition, Class B ordinary shares will automatically convert into Class A ordinary shares upon certain transfers and other events, including upon the date when holders of all Class B ordinary shares cease to hold Class B ordinary shares representing, in the aggregate, at least 10% of the total number of Class A and Class B ordinary shares outstanding. For special resolutions (which are required for certain important matters including mergers and changes to the Company's governing documents), which require the vote of two-thirds of the votes cast, at any time that Class B ordinary shares remain outstanding, the voting power permitted to be exercised by the holders of the Class B ordinary shares will be weighted such that the Class B ordinary shares shall represent, in the aggregate, 67% of the voting power of all shareholders. All shares issued by the Company are fully paid.

As of 30 June 2017, the Company's issued share capital comprised 40,194,754 Class A ordinary shares and 124,000,000 Class B ordinary shares.

Notes to the consolidated financial statements (Continued)

22 Share-based payments

The Company operates a share-based award plan, the 2012 Equity Incentive Award Plan (the "Equity Plan"), established in 2012. Under the Equity Plan, 16,000,000 shares of our Class A ordinary shares have initially been reserved for issuance pursuant to a variety of share-based awards, including share options, share appreciation rights, or SARs, restricted share awards, restricted share unit awards, deferred share awards, deferred share unit awards, dividend equivalent awards, share payment awards and other share-based awards. Of these reserved shares, 15,234,579 remain available for issuance.

Certain directors, members of executive management and selected employees have been awarded Class A ordinary shares, pursuant to the Equity Plan. These shares are subject to varying vesting schedules over multi-year periods. Employees are not entitled to dividends until the awards vest. The fair value of these shares was the quoted market price on the date of award, adjusted where applicable for expected dividends i.e. the fair value of the awards was reduced. It is assumed that semi-annual dividends will be paid for the foreseeable future. The Company may choose whether to settle the awards wholly in shares or reduce the number of shares awarded by a value equal to the recipient's liability to any income tax and social security contributions that would arise if all the shares due to vest had vested. Accordingly the awards may be either equity-settled or cash-settled.

Movements in the number of share awards outstanding and therefore potentially issuable as new shares are as follows:

	Number of Class A ordinary shares
At 1 July 2016	293,575
Awarded	188,677
Forfeited	(16,863)
Vested	(169,476)
At 30 June 2017	295,913

The fair value of the shares awarded during the year was \$16.02 (£12.35) per share.

For the year ended 30 June 2017 the Group recognized total expenses related to equity-settled share-based payment transactions of £2,187,000 (2016: £1,795,000; 2015: £1,352,000) and total expenses related to cash-settled share-based payment transactions of £1,903,000 (2016: £1,539,000; 2015: £1,239,000).

Notes to the consolidated financial statements (Continued)

23 Trade and other payables

	2017 £'000	2016 £'000
Trade payables	191,359	167,733
Other payables	3,258	2,865
Accrued expenses	61,162	54,756
	<u>255,779</u>	<u>225,354</u>
Social security and other taxes	18,123	15,764
	<u>273,902</u>	<u>241,118</u>
Less: non-current portion:		
Trade payables	82,866	40,304
Other payables	721	1,146
Non-current trade and other payables	83,587	41,450
Current trade and other payables	190,315	199,668

Trade payables include transfer fees and other associated costs in relation to the acquisition of registrations of £179,133,000 (2016: £156,292,000) of which £82,866,000 (2016: £40,304,000) is due after more than one year. Of the amount due after more than one year, £76,821,000 (2016: £20,048,000) is expected to be paid between 1 and 2 years, and the balance of £6,045,000 (2016: £20,256,000) is expected to be paid between 2 and 5 years.

Accrued expenses include £3,274,000 (2016: £2,677,000) related to share-based payment transactions expected to be cash-settled.

The fair value of trade payables as at 30 June 2017 was £194,052,000 (2016: £169,106,000) before discounting of cash flows. The fair value of other payables is not materially different to their carrying amount.

24 Borrowings

	2017 £'000	2016 £'000
Senior secured notes	323,113	314,341
Secured term loan facility	170,767	166,018
Secured bank loan	4,169	4,564
Accrued interest on senior secured notes	5,305	5,169
	<u>503,354</u>	<u>490,092</u>
Less: non-current portion:		
Senior secured notes	323,113	314,341
Secured term loan facility	170,767	166,018
Secured bank loan	3,750	4,169
Non-current borrowings	497,630	484,528
Current borrowings	5,724	5,564

Notes to the consolidated financial statements (Continued)

24 Borrowings (Continued)

The senior secured notes of £323,113,000 (2016: £314,341,000) is stated net of unamortized issue costs amounting to £4,112,000 (2016: £4,441,000). The outstanding principal amount of the senior secured notes is \$425,000,000 (2016: \$425,000,000). The senior secured notes have a fixed coupon rate of 3.79% per annum and interest is paid semi-annually. The senior secured notes mature on 25 June 2027.

The Group has the option to redeem the senior secured notes in part, in an amount not less than 5% of the aggregate principal amount of the senior secured notes then outstanding, or in full, at any time at 100% of the principal amount plus a "make-whole" premium of an amount equal to the discounted value (based on the US Treasury rate) of the remaining interest payments due on the senior secured notes up to 25 June 2027.

The senior secured notes were issued by MU Finance plc, and are guaranteed by Red Football Limited, Red Football Junior Limited, Manchester United Limited, and Manchester United Football Club Limited and are secured against substantially all of the assets of those entities and MU Finance plc. These entities are wholly owned subsidiaries.

The secured term loan facility of £170,767,000 (2016: £166,018,000) is stated net of unamortized issue costs amounting to £2,470,000 (2016: £2,749,000). The outstanding principal amount of the secured term loan facility is \$225,000,000 (2016: \$225,000,000). The secured term loan facility attracts interest of US dollar LIBOR plus an applicable margin of between 1.25% and 1.75% per annum and interest is paid monthly. The remaining balance of the secured term loan facility is repayable on 26 June 2025, although the Group has the option to repay the secured term loan facility at any time.

The secured term loan facility was provided to MU Finance plc, and is guaranteed by Red Football Limited, Red Football Junior Limited, Manchester United Limited, Manchester United Football Club Limited and MU Finance plc and is secured against substantially all of the assets of each of those entities. These entities are wholly owned subsidiaries.

The secured bank loan of £4,169,000 (2016: £4,564,000) comprises a bank loan within Alderley Urban Investments Limited, a subsidiary of Manchester United Limited, that attracts interest of LIBOR + 1% per annum. £525,000 (2016: £920,000) is repayable in quarterly installments through to July 2018, with the remaining balance of £3,644,000 (2016: £3,644,000) being re-payable at par on 9 July 2018. The loan is secured by way of a first legal charge over a Group investment property, known as the Manchester International Freight Terminal, and the loan is also guaranteed by Manchester United Limited.

The Group also has an undrawn committed borrowing facility of up to £125,000,000 plus (subject to certain conditions) the ability to incur a further £25,000,000 by way of incremental facilities. The facility terminates on 26 June 2021 (although it may be possible for any incremental facilities to terminate after such date). Drawdowns would attract interest of LIBOR or EURIBOR plus an applicable margin of between 1.25% and 1.75% per annum (depending on the total net leverage ratio at that time). No drawdowns were made from these facilities during 2017 or 2016.

The Group's revolving facility, the secured term loan facility and the note purchase agreement governing the senior secured notes each contain certain covenants, including a financial maintenance covenant that requires the Group to maintain a consolidated profit/loss for the period before depreciation, amortization of, and profit on disposal of, registrations, exceptional items, net finance costs and tax ("EBITDA") of not less than £65 million for each 12 month testing period, as well as customary covenants, including (but not limited to) restrictions on incurring additional indebtedness;

Notes to the consolidated financial statements (Continued)

24 Borrowings (Continued)

paying dividends or making other distributions, repurchasing or redeeming our capital stock or making other restricted payments; selling assets, including capital stock of restricted subsidiaries; entering into agreements that restrict distributions of restricted subsidiaries; consolidating, merging, selling or otherwise disposing of all or substantially all assets; entering into sale and leaseback transactions; entering into transactions with affiliates; and incurring liens. As of 30 June 2017, the Group was in compliance with all covenants under its revolving facility, the secured term loan facility and the note purchase agreement governing the senior secured notes.

Analysis of changes in net debt

Net debt is defined as non-current and current borrowings minus cash and cash equivalents. Net debt is a financial performance indicator that is used by the Group's management to monitor liquidity risk. The Group believes that net debt is meaningful for investors as it provides a clear overview of the net indebtedness position of the Group and is used by the Chief Operating Decision Maker in managing the business.

The following tables provide a reconciliation of the movement in the Group's net debt.

	At 1 July 2016 £'000	Cash flows £'000	Non-cash movements £'000	At 30 June 2017 £'000
Non-current borrowings	484,528	—	13,102	497,630
Current borrowings	5,564	(16,660)	16,820	5,724
Less: cash and cash equivalents	(229,194)	(53,002)	(8,071)	(290,267)
	<u>260,898</u>	<u>(69,662)</u>	<u>21,851</u>	<u>213,087</u>

Non-cash movements largely comprise a foreign exchange loss arising on translation of the US dollar denominated secured term loan facility and senior secured notes, amortization of debt issue costs and the movement on accrued interest on senior secured notes, partially offset by a foreign exchange gain arising on translation of foreign currency denominated cash and cash equivalents.

	At 1 July 2015 £'000	Cash flows £'000	Non-cash movements £'000	At 30 June 2016 £'000
Non-current borrowings	410,482	—	74,046	484,528
Current borrowings	485	(12,622)	17,701	5,564
Less: cash and cash equivalents	(155,752)	(60,817)	(12,625)	(229,194)
	<u>255,215</u>	<u>(73,439)</u>	<u>79,122</u>	<u>260,898</u>

Non-cash movements largely comprise a foreign exchange loss arising on translation of the US dollar denominated secured term loan facility and senior secured notes, amortization of debt issue costs, and the movement on accrued interest on senior secured notes, partially offset by a foreign exchange gain arising on translation of foreign currency denominated cash and cash equivalents.

Notes to the consolidated financial statements (Continued)

25 Deferred tax

Deferred tax assets and deferred tax liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after allowable offset):

	2017 £'000	2016 £'000
US deferred tax assets	(142,107)	(145,460)
UK deferred tax liabilities	20,828	14,364
At 30 June	(121,279)	(131,096)

The movement in deferred tax assets and deferred tax liabilities during the year is as follows:

	2017 £'000	2016 £'000
At 1 July	(131,096)	(116,329)
(Credited)/expensed to income statement (note 10)	(7,115)	4,074
Expensed/(credited) to other comprehensive income	16,932	(18,841)
At 30 June	(121,279)	(131,096)

The movement in US net deferred tax assets are as follows:

	Foreign tax credits £'000	Net operating losses £'000	Unrealized foreign exchange and derivative movements £'000	Intangible assets £'000	Deferred revenue £'000	Other(1) £'000	Total £'000
At 1 July 2015	(22,592)	(35,117)	(55)	(69,355)	(5,163)	(1,358)	(133,640)
(Credited)/expensed to income statement (note 10)	(13,834)	13,459	(7,473)	8,764	—	(2,076)	(1,160)
Expensed/(credited) to other comprehensive income (note 10)	9,650	—	(20,310)	—	—	—	(10,660)
At 30 June 2016	(26,776)	(21,658)	(27,838)	(60,591)	(5,163)	(3,434)	(145,460)
(Credited)/expensed to income statement (note 10)	(14,354)	20,588	(5,702)	13,344	(10,296)	(1,991)	1,589
Expensed to other comprehensive income (note 10)	1,083	—	681	—	—	—	1,764
At 30 June 2017	(40,047)	(1,070)	(32,859)	(47,247)	(15,459)	(5,425)	(142,107)

- (1) The "Other" deferred tax asset balance of £5,425,000 primarily comprises bad debt provision not allowed until written off of £4,597,000, bonus provisions not allowed until paid of £3,890,000, and upwards revaluation of tax bases of real estate at the time of the IPO in 2012 of £4,892,000, partially offset by temporary differences arising on depreciation of £10,887,000.

Deferred tax assets are recognized only to the extent that it is probable that they will be available for use against future profits and that there will be sufficient future taxable profit available against which temporary differences can be utilized. At 30 June 2017, the current forecasts indicate that the

Notes to the consolidated financial statements (Continued)

25 Deferred tax (Continued)

Group will utilize US foreign tax credits, net operating losses and other temporary differences and accordingly, the associated deferred tax balances have recognized. US net operating losses can be carried forward up to twenty years and will fully expire if they are not utilized beforehand. US foreign tax credits can be carried forward up to ten years from the date when they crystallise and offset against future US taxable profits.

The movement in UK net deferred tax liabilities are as follows:

	Accelerated tax depreciation £'000	Rolled over gain on player disposal £'000	Non qualifying property £'000	Property fair value adjustment £'000	Net operating losses £'000	Other(1) £'000	Total £'000
At 1 July 2015	(981)	2,932	14,224	16,766	(5,883)	(9,747)	17,311
Expensed/(credited) to income statement (note 10)	1,665	326	(1,619)	(1,937)	4,088	2,711	5,234
Credited to other comprehensive income (note 10)	—	—	—	—	—	(8,181)	(8,181)
At 30 June 2016	684	3,258	12,605	14,829	(1,795)	(15,217)	14,364
(Credited)/expensed to income statement (note 10)	152	1,918	(704)	(1,253)	1,768	(10,585)	(8,704)
Expensed to other comprehensive income (note 10)	—	—	—	—	—	15,168	15,168
At 30 June 2017	836	5,176	11,901	13,576	(27)	(10,634)	20,828

- (1) The "Other" deferred tax asset balance of £10,634,000 primarily comprises losses carried forward arising from UK tax legislation introduced during the year ended 30 June 2017.

Deferred tax assets are recognized on losses carried forward only to the extent that it is probable that they will be available for use against future profits and that there will be sufficient future taxable profit available against which the temporary differences can be utilised. At 30 June 2017 the Group had no unrecognized deferred tax assets (2016: £nil).

Notes to the consolidated financial statements (Continued)

26 Cash generated from operations

	Notes	2017 £'000	2016 £'000	2015 £'000
Profit/(loss) before tax		56,538	48,833	(3,567)
Adjustments for:				
Depreciation	13, 14	10,228	10,079	10,324
Impairment (reversal)/charge	6	(4,753)	6,693	—
Amortization	15	124,434	88,009	99,687
(Profit)/loss on disposal of intangible assets		(10,926)	9,786	(23,649)
Net finance costs		24,277	20,017	35,215
Loss on disposal of property, plant and equipment		43	126	5
Equity-settled share-based payments	22	2,187	1,795	1,352
Foreign exchange losses/(gains) on operating activities		2,646	(7,660)	4,914
Reclassified from hedging reserve		4,765	1,382	(4,713)
Changes in working capital:				
Inventories		(711)	(926)	—
Trade and other receivables(1)		17,525	(31,741)	58,503
Trade and other payables and deferred revenue(1)		25,506	54,471	16,950
Cash generated from operations		<u>251,759</u>	<u>200,864</u>	<u>195,021</u>

(1) These amounts exclude non-cash movements and movements in respect of items reported elsewhere in the consolidated statement of cash flows, primarily in investing activities (where the timing of acquisitions and disposals and related cash flows can differ), resulting in:

- a reduction in changes to trade and other receivables of £3,224,000 (2016: £20,676,000; 2015: £20,806,000); and
- a reduction in changes to trade and other payables and deferred revenue of £26,428,000 (2016: £26,838,000; 2015: £29,662,000).

27 Contingencies

At 30 June 2017, the Group had no material contingent liabilities in respect of legal claims arising in the ordinary course of business. Contingent fees are disclosed in note 29.2.

28 Operating lease arrangements

28.1 The group as lessee

The Group leases various premises and plant and equipment under non-cancellable operating lease agreements. The majority of the lease agreements are renewable at the end of the lease period at market rate. The lease expenditure charged to the income statement during the year is disclosed in

Notes to the consolidated financial statements (Continued)

28 Operating lease arrangements (Continued)

note 5. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2017 £'000	2016 £'000
No later than 1 year	2,256	2,635
Later than 1 year and no later than 5 years	4,557	4,688
Later than 5 years	3,968	4,028
	<u>10,781</u>	<u>11,351</u>

28.2 The group as lessor

The Group leases out its investment properties. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2017 £'000	2016 £'000
No later than 1 year	1,257	1,434
Later than 1 year and no later than 5 years	4,617	2,641
Later than 5 years	9,929	9,953
	<u>15,803</u>	<u>14,028</u>

29 Capital commitments and contingent fees**29.1 Capital commitments**

As of 30 June 2017, the Group had capital commitments relating to property, plant and equipment amounting to £6.8 million (2016: £5.4 million) and to other intangible assets amounting to £nil (2016: £nil).

29.2 Contingent fees

Under the terms of certain contracts with other football clubs and agents in respect of player transfers, additional amounts, in excess of the amounts included in the cost of registrations, would be payable by the Group if certain substantive performance conditions are met. These excess amounts are only recognized within the cost of registrations when the Company considers that it is probable that the condition related to the payment will be achieved. The maximum additional amounts that could be payable is £44,633,000 (2016: £41,582,000). No material adjustment was required to the amounts included in the cost of registrations during the year (2016: no material adjustments) and consequently there was no material impact on the amortization of registration charges in the income statement

Notes to the consolidated financial statements (Continued)

29 Capital commitments and contingent fees (Continued)

(2016: no material impact). As of 30 June 2017 the potential amount payable by type of condition and category of player was:

	First team squad £'000	Other £'000	Total £'000
Type of condition:			
MUFC appearances/team success/new contract	26,845	6,453	33,298
International appearances	11,288	47	11,335
	<u>38,133</u>	<u>6,500</u>	<u>44,633</u>

As of 30 June 2016 the potential amount payable by type of condition and category of player was:

	First team squad £'000	Other £'000	Total £'000
Type of condition:			
MUFC appearances/team success/new contract	26,133	4,462	30,595
International appearances	10,827	160	10,987
	<u>36,960</u>	<u>4,622</u>	<u>41,582</u>

Similarly, under the terms of contracts with other football clubs for player transfers, additional amounts would be payable to the Group if certain specific performance conditions are met. In accordance with the recognition criteria for contingent assets, such amounts are only disclosed by the Group when probable and recognized when virtually certain. As of 30 June 2017, the amount of such receipt considered to be probable was £0.8 million (2016: £1.6 million).

30 Pension arrangements**30.1 Defined benefit scheme**

The Group participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Group is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme. The Group has received confirmation that the assets and liabilities of the Scheme cannot be split between the participating employers. The Group is advised only of the additional contributions it is required to pay to make good the deficit. These contributions could increase in the future if one or more of the participating employers exits the Scheme.

The last triennial actuarial valuation of the Scheme was carried out at 31 August 2014 where the total deficit on the ongoing valuation basis was £21.8 million. The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accrual. The Group pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

30 Pension arrangements (Continued)

A charge of £nil (2016: £nil; 2015: £1,247,000) has been made to the income statement during the year, representing the present value of the additional contributions the Group is expected to pay to remedy the revised deficit of the Scheme.

The Group currently pays total contributions of £437,000 per annum and, based on the actuarial valuation assumptions, will be sufficient to pay off the deficit by 28 February 2020.

As of 30 June 2017, the present value of the Group's outstanding contributions (i.e. its future liability) is £1,146,000 (2016: £1,566,000). This amounts to £425,000 (2016: £420,000) due within one year and £721,000 (2016: £1,146,000) due after more than one year and is included within other payables.

The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the Technical Provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (dated 31 August 2014), deficit contributions are payable by all participating clubs. Payments are made in accordance with a pension contribution schedule. As the Scheme is closed to accrual, there are no additional costs associated with the accruing of members' future benefits. In the case of a club being relegated from the Football League and being unable to settle its debt then the remaining clubs may, in exceptional circumstances, have to share the deficit.

Upon the wind-up of the Scheme with a surplus, any surplus will be used to augment benefits. Under the more likely scenario of there being a deficit, this will be split amongst the clubs in line with their contribution schedule. Should an individual club choose to leave the Scheme, they would be required to pay their share of the deficit based on a proxy buyout basis (i.e. valuing the benefits on a basis consistent with buying out the benefits with an insurance company).

30.2 Defined contribution schemes

Contributions made to defined contribution pension arrangements are charged to the income statement in the period in which they become payable and for the year ended 30 June 2017 amounted to £2,435,000 (2016: £2,427,000; 2015: £2,464,000). As at 30 June 2017, contributions of £284,000 (2016: £247,000) due in respect of the current reporting period had not been paid over to the pension schemes.

The assets of all pension schemes to which the Group contributes are held separately from the Group in independently administered funds.

31 Financial risk management

31.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The policy for each of the above risks is described in more detail below.

31 Financial risk management (Continued)

a) Market risk

(i) Currency risk

The Group is exposed to the following currency risks:

- Significant revenue received in Euros primarily as a result of participation in UEFA competitions. During the year ended 30 June 2017 the Group received a total of €47.2 million of revenue denominated in Euros (2016: €48.1 million; 2015: €6.2 million). The Group seeks to hedge the majority of the currency risk of this revenue either by using contracted future currency expenses or by placing forward contracts, at the point at which it becomes reasonably certain that it will receive the revenue.
- Significant amount of commercial revenue denominated in US dollars. During the year ended 30 June 2017 the Group recognized a total of \$157.9 million of revenue denominated in US dollars (2016: \$182.6 million; 2015: \$189.2 million). The currency risk on these US dollar revenues is hedged to the extent possible (see note 31.2 below).
- Risks arising from the US dollar denominated secured term loan facility and senior secured notes (see note 24). At 30 June 2017 the secured term loan facility and senior secured notes included principal amounts of \$650,000,000 (2016: \$650,000,000) denominated in US dollars. The currency risk on these US dollar borrowings (net of the Group's US dollar cash balances) is hedged to the extent possible (see note 31.2 below). Interest is paid on these borrowings in US dollars.
- Payments and receipts of transfer fees may also give rise to foreign currency exposures. Due to the nature of player transfers the Group may not always be able to predict such cash flows until the transfer has taken place. Where possible and depending on the payment profile of transfer fees payable and receivable the Group will seek to hedge future payments and receipts at the point it becomes reasonably certain that the payments will be made or the income will be received. When hedging income to be received, the Group also takes account of the credit risk of the counterparty.
- Risks arising from US dollar denominated deferred tax assets in respect of net operating losses. At 30 June 2017 the carrying value of these assets was \$4,632,000 (2016: \$88,014,000).

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The following table details the forward foreign currency contracts outstanding at the balance sheet date:

	2017				2016			
	Average exchange rate	Foreign currency €'000	Notional value £'000	Fair value £'000	Average exchange rate	Foreign currency €'000	Notional value £'000	Fair value £'000
Buy Euro	1.1647	(115,283)	(98,980)	3,170	1.3122	(83,667)	(63,758)	6,400
Sell Euro	1.3262	10,000	7,540	(1,253)	1.3426	39,000	29,048	(3,727)

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities are as follows:

	2017		2016	
	Euro €'000	US Dollar S'000	Euro €'000	US Dollar S'000
Monetary assets	70,457	244,826	116,596	265,565
Monetary liabilities	(185,960)	(654,507)	(142,406)	(661,324)
	(115,503)	(409,681)	(25,810)	(395,759)

At 30 June 2017:

- if pounds sterling had strengthened by 10% against the Euro, with all other variables held constant, equity and post-tax profit for the year would have been £6.0 million higher (2016: £2.0 million higher).
- if pounds sterling had weakened by 10% against the Euro, with all other variables held constant, equity and post-tax profit for the year would have been £7.3 million lower (2016: £2.4 million lower).
- if pounds sterling had strengthened by 10% against the US dollar, with all other variables held constant, equity and post-tax profit for the year would have been £18.6 million higher (2016: £27.0 million higher).
- if pounds sterling had weakened by 10% against the US dollar, with all other variables held constant, equity and post-tax profit for the year would have been £22.8 million lower (2016: £33.0 million lower).

The Group also has a number of embedded foreign exchange derivatives in host Commercial revenue contracts. These are recognized separately in the financial statements at fair value since they are not closely related to the host contract. As of 30 June 2017 the fair value of such derivatives was a net asset of £1,714,000 (2016: £5,248,000).

(ii) Interest rate risk

The Group has no significant interest bearing assets other than cash on deposit which attracts interest at a small margin above UK base rates.

The Group's interest rate risk arises from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings are denominated in US dollar and pounds sterling. Full details of the Group's borrowings and associated interest rates can be found in note 24.

The Group manages its cash flow interest rate risk where appropriate using interest rate swaps at contract lengths broadly consistent with the repayment schedule of the borrowings. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Consequently, the impact on equity and post-tax profit of a 1.0% shift in interest rates would not be material to any periods presented. Details of the interest rate swaps committed to at the balance sheet date are provided in note 31.2 below.

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

b) Credit risk

Credit risk is managed on a Group basis and arises from favorable derivative financial instruments, trade and other receivables (excluding prepayments) and cash and cash equivalents. Management does not expect any material losses from non-performance by these counterparties.

A substantial majority of the Group's Broadcasting revenue is derived from media contracts negotiated by the Premier League and UEFA with media distributors, and although the Premier League obtains guarantees to support certain of its media contracts, typically in the form of letters of credit issued by commercial banks, it remains the Group's single largest credit exposure. The Group derives commercial and sponsorship revenue from certain corporate sponsors, including global, regional, mobile, media and supplier sponsors in respect of which the Group may manage its credit risk by seeking advance payments, installments and/or bank guarantees where appropriate. The substantial majority of this revenue is derived from a limited number of sources. The Group is also exposed to other football clubs globally for the payment of transfer fees on players. Depending on the transaction, some of these fees are paid to the Group in installments. The Group tries to manage its credit risk with respect to those clubs by requiring payments in advance or, in the case of payments on installment, requiring bank guarantees on such payments in certain circumstances. However, the Group cannot ensure these efforts will eliminate its credit exposure to other clubs. A change in credit quality at one of the media broadcasters for the Premier League or UEFA, one of the Group's sponsors or a club to whom the Group has sold a player can increase the risk that such counterparty is unable or unwilling to pay amounts owed to the Group. Derivative financial instruments and cash and cash equivalents are placed with counterparties with a minimum Moody's rating of Aa3.

Credit terms offered by the Group vary depending on the type of sale. For seasonal match day facilities and sponsorship contracts, payment is usually required in advance of the season to which the sale relates. For other sales the credit terms typically range from 14 - 30 days, although specific agreements may be negotiated in individual contracts with terms beyond 30 days. For player transfer activities, credit terms are determined on a contract by contract basis. Of the net total trade receivable balance of £76,606,000 (2016: £109,791,000), £46,343,000 (2016: £46,646,000) relates to amounts receivable from various other football clubs in relation to player trading.

As of 30 June 2017, trade receivables of £54,501,000 (2016: £90,304,000) were neither past due nor impaired. Management considers that, based on historical information about default rates and the current strength of relationships (a number of which are recurring long term relationships) the credit quality of trade receivables that are neither past due nor impaired is good.

As of 30 June 2017, trade receivables of £22,104,000 (2016: £19,487,000) were past due but not impaired. These relate to independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 £'000	2016 £'000
Up to 3 months past due	20,670	14,283
Over 3 months past due	1,434	5,204
	<u>22,104</u>	<u>19,487</u>

As of 30 June 2017, trade receivables of £14,113,000 (2016: £6,451,000) were impaired and fully provided for. The individually impaired receivables largely relate to a transfer fee receivable of £

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

2,197,000 (€2,500,000) (2016: £2,082,000 (€2,500,000)) due from one football club. The ageing of these receivables, based on due date, is as follows:

	2017 £'000	2016 £'000
Up to 3 months	5,519	—
Over 3 months	8,594	6,451
	<u>14,113</u>	<u>6,451</u>

Movements on the provision for impairment of trade receivables are as follows:

	2017 £'000	2016 £'000
Brought forward	6,451	3,897
Provision for receivables impairment	336	3,680
Receivables offset against deferred revenue	6,807	—
Foreign exchange losses on retranslation	519	—
Unused amounts reversed	—	(1,126)
Carried forward	<u>14,113</u>	<u>6,451</u>

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the income statement (note 5).

The other classes within trade and other receivables do not contain impaired assets.

c) *Liquidity risk*

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of secured term loan facilities, senior secured notes and other borrowings as applicable. The annual cash flow is cyclical in nature with a significant portion of cash inflows being received prior to the start of the playing season. Ultimate responsibility for liquidity risk management rests with the executive directors of Manchester United plc. The directors use management information tools including budgets and cash flow forecasts to constantly monitor and manage current and future liquidity.

Cash flow forecasting is performed on a regular basis which includes rolling forecasts of the Group's liquidity requirements to ensure that the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. The Group's borrowing facilities are described in note 24. Financing facilities have been agreed at appropriate levels having regard to the Group's operating cash flows and future development plans.

Surplus cash held by the operating entities over and above that required for working capital management are invested by Group finance in interest bearing current accounts or money market deposits. As of 30 June 2017, the Group held cash and cash equivalents of £290,267,000 (2016: £229,194,000).

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows including interest and therefore differs from the carrying amounts in the consolidated balance sheet.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables excluding social security and other taxes(1)	172,173	71,282	14,981	—
Borrowings	19,463	22,743	37,977	601,218
	<u>191,636</u>	<u>94,025</u>	<u>52,958</u>	<u>601,218</u>
Non-trading(2) and net settled derivative financial instruments:				
cash outflow	2,453	905	281	187
cash inflow	(1,253)	—	—	—
At 30 June 2017	<u>192,836</u>	<u>94,930</u>	<u>53,239</u>	<u>601,405</u>
Trade and other payables excluding social security and other taxes(1)	183,894	21,012	21,778	—
Borrowings	18,967	18,990	40,753	519,921
	<u>202,861</u>	<u>40,002</u>	<u>62,531</u>	<u>519,921</u>
Non-trading(2) and net settled derivative financial instruments:				
cash outflow	6,685	4,812	7,770	7,770
cash inflow	(5,692)	(708)	—	—
At 30 June 2016	<u>203,854</u>	<u>44,106</u>	<u>70,301</u>	<u>527,691</u>

(1) Social security and other taxes are excluded from trade and other payables balance, as this analysis is required only for financial instruments.

(2) Non-trading derivatives are included at their fair value at the balance sheet date.

31.2 Hedging activities

The Group uses derivative financial instruments to hedge certain exposures, and has designated certain derivatives as hedges of cash flows (cash flow hedge).

The Group hedges the foreign exchange risk on contracted future US dollar revenues whenever possible using the Group's US dollar net borrowings as the hedging instrument. The foreign exchange gains or losses arising on re-translation of the Group's US dollar net borrowings used in the hedge are initially recognized in other comprehensive income, rather than being recognized in the income statement immediately. Amounts previously recognized in other comprehensive income and accumulated in the hedging reserve are subsequently reclassified into the income statement in the same accounting period, and within the same income statement line (i.e. commercial revenue), as the

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

underlying future US dollar revenues, which given the varying lengths of the commercial revenue contracts will be between July 2017 to June 2023. The foreign exchange gains or losses arising on re-translation of the Group's unhedged US dollar borrowings are recognized in the income statement immediately (within net finance costs). The table below details the net borrowings being hedged at the balance sheet date:

	2017 \$'000	2016 \$'000
USD borrowings	650,000	650,000
Hedged USD cash	(125,300)	(100,800)
Net USD debt	524,700	549,200
Hedged future USD revenues	(299,533)	(394,690)
Unhedged USD borrowings	225,167	154,510
Closing USD exchange rate (\$: £)	1.2988	1.3332

The Group hedges its cash flow interest rate risk where appropriate using interest rate swaps at contract lengths consistent with the repayment schedule of the borrowings. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The effective portion of changes in the fair value of the interest rate swap is initially recognized in other comprehensive income, rather than being recognized in the income statement immediately. Amounts previously recognized in other comprehensive income and accumulated in the hedging reserve are subsequently reclassified into the income statement in the same accounting period, and within the same income statement line (i.e. finance costs), as the underlying interest payments, which given the term of the swap will be between July 2017 to June 2024. The following table details the interest rate swaps at the balance sheet date that are used to hedge borrowings:

	2017	2016
Current principal value of loan outstanding (\$'000)	225,000	225,000
Rate received	1 month \$ LIBOR	1 month \$ LIBOR
Rate paid	Fixed 2.032%	Fixed 2.032%
Expiry date	30 June 2024	30 June 2024

As of 30 June 2017 the fair value of the above interest rate swaps was a liability of £655,000 (2016: £9,710,000).

The Group seeks to hedge the majority of the currency risk on revenue arising as a result of participation in UEFA competitions, either by using contracted future foreign currency expenses or by placing forward foreign exchange contracts, at the point at which it becomes reasonably certain that it will receive the revenue.

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

Details of movements on the hedging reserve are as follows:

	Future US dollar revenues £'000	Interest rate swap £'000	Other £'000	Total, before tax £'000	Tax £'000	Total, after tax £'000
Balance at 1 July 2014	40,021	(147)	—	39,874	(13,956)	25,918
Foreign exchange differences on hedged currency risks	(27,925)	—	—	(27,925)	9,774	(18,151)
Reclassified to income statement	(4,713)	2,060	—	(2,653)	930	(1,723)
Fair value movement	—	(2,024)	—	(2,024)	709	(1,315)
Movement recognized in other comprehensive loss	(31,638)	36	—	(32,602)	11,413	(21,189)
Balance at 1 July 2015	7,383	(111)	—	7,272	(2,543)	4,729
Foreign exchange differences on hedged currency risks	(49,808)	—	—	(49,808)	17,431	(32,377)
Reclassified to income statement	1,382	2,665	—	4,047	(1,416)	2,631
Fair value movement	—	(12,264)	—	(12,264)	4,292	(7,972)
Movement recognized in other comprehensive loss	(48,426)	(9,599)	—	(58,025)	20,307	(37,718)
Balance at 30 June 2016	(41,043)	(9,710)	—	(50,753)	17,764	(32,989)
Foreign exchange differences on hedged currency risks	(11,998)	—	124	(11,874)	3,775	(7,012)
Reclassified to income statement	5,040	—	(275)	4,765	(1,287)	2,391
Fair value movement	—	9,055	—	9,055	(3,169)	5,886
Movement recognized in other comprehensive income	(6,958)	9,055	(151)	1,946	(681)	1,265
Balance at 30 June 2017	(48,001)	(655)	(151)	(48,807)	17,083	(31,724)

Based on exchange rates existing as of 30 June 2017, a 10% appreciation of the UK pounds sterling compared to the US dollar would have resulted in a credit to the hedging reserve in respect of future US dollar revenues of approximately £20,966,000 (2016: £26,913,000) before tax. Conversely, a 10% depreciation of the UK pounds sterling compared to the US dollar would have resulted in a debit to the hedging reserve in respect of US dollar future revenues of approximately £25,625,000 (2016: £32,894,000) before tax.

31.3 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. Capital is calculated as "equity" as shown in the balance sheet plus net debt. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the balance sheet) less cash and cash equivalents and is used by management in monitoring the net indebtedness of the Group. A reconciliation of net debt is shown in note 24.

Notes to the consolidated financial statements (Continued)

31 Financial risk management (Continued)

As of 30 June 2017, the Group had total borrowings of £503.4 million (2016: £490.1 million). As described in note 24 above, the Group's revolving facility, the secured term loan facility and the note purchase agreement governing the senior secured notes each contain certain covenants that restrict the activities of Red Football Limited and its subsidiaries. As of 30 June 2017, the Group was in compliance with all covenants under its revolving facility, the secured term loan facility and the note purchase agreement governing the senior secured notes.

31.4 Fair value estimation

The following table presents the financial instruments carried at fair value. The different levels used in measuring fair value have been defined as follows:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2—inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3—inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	2017 £'000	2016 £'000
Assets		
Derivatives at fair value through profit or loss (note 18):		
Embedded foreign exchange derivatives	1,714	5,248
Forward foreign exchange contracts	3,170	6,400
Liabilities		
Derivative used for hedging (note 18):		
Interest rate swaps	(655)	(9,710)
Derivatives at fair value through profit or loss (note 18):		
Forward foreign exchange contracts	(1,253)	(3,727)
	<u>2,976</u>	<u>(1,789)</u>

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is categorised as Level 2.

All of the financial instruments detailed above are categorised as Level 2. Specific valuation techniques used include:

- The fair value of embedded foreign exchange derivatives is determined as the change in the fair value of the embedded derivative at the contract inception date and the fair value of the embedded derivative at the balance sheet date; the fair value of the embedded derivative is determined using forward exchange rates with the resulting value discounted to present value;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Notes to the consolidated financial statements (Continued)

32 Related party transactions

Trusts and other entities controlled by six lineal descendants of Mr. Malcolm Glazer collectively own 7.51% of our issued and outstanding Class A ordinary shares and all of our issued and outstanding Class B ordinary shares, representing 97.10% of the voting power of our outstanding capital stock.

33 Subsidiaries

The following companies are the subsidiary undertakings of the Company as of 30 June 2017:

<u>Subsidiaries</u>	<u>Principal activity</u>	<u>Description of share classes owned</u>
Red Football Finance Limited*	Finance company	100% Ordinary
Red Football Holdings Limited*	Holding company	100% Ordinary
Red Football Shareholder Limited	Holding company	100% Ordinary
Red Football Joint Venture Limited	Holding company	100% Ordinary
Red Football Limited	Holding company	100% Ordinary
Red Football Junior Limited	Holding company	100% Ordinary
Manchester United Limited	Commercial company	100% Ordinary
Alderley Urban Investments Limited	Property investment	100% Ordinary
Manchester United Commercial Enterprises (Ireland) Limited	Dormant company	100% Ordinary
Manchester United Football Club Limited	Professional football club	100% Ordinary
Manchester United Interactive Limited	Dormant company	100% Ordinary
MU 099 Limited	Dormant company	100% Ordinary
MU Commercial Holdings Limited	Holding company	100% Ordinary
MU Commercial Holdings Junior Limited	Holding company	100% Ordinary
MU Finance plc	Debt-holding company	100% Ordinary
MU RAML Limited	Retail and licensing company	100% Ordinary
MUTV Limited	Subscription TV channel	100% Ordinary

* Direct investment of Manchester United plc, others are held by subsidiary undertakings.

All of the above are incorporated and operate in England and Wales, with the exception of Red Football Finance Limited which is incorporated and operates in the Cayman Islands and Manchester United Commercial Enterprises (Ireland) Limited which is incorporated and operates in Ireland. The registered office or principal executive office of all the above, with the exception of Manchester United Commercial Enterprises (Ireland) Limited, is Sir Matt Busby Way, Old Trafford, Manchester, M16 0RA, United Kingdom. The registered office of Manchester United Commercial Enterprises (Ireland) Limited is 4th Floor, 8-34 Percy Place, Dublin 4, Republic of Ireland.

34 Events after the balance sheet date**34.1 Registrations**

The playing registrations of certain footballers have been disposed of, subsequent to 30 June 2017, for total proceeds, net of associated costs, of £19,941,000. This amount includes any contingent consideration receivable after 30 June 2017 in respect of previous playing registration disposals. The associated net book value was £2,844,000.

Notes to the consolidated financial statements (Continued)

34 Events after the balance sheet date (Continued)

Subsequent to 30 June 2017 the playing registrations of certain players were acquired or extended for a total consideration, including associated costs, of £126,793,000. Payments are due within the next 5 years.

34.2 Secondary offering

On 9 August 2017, Manchester United plc entered into an underwriting agreement relating to the sale of 5,000,000 of our Class A Ordinary Shares by Red Football LLC pursuant to a public offering. The Group did not receive any of the proceeds from the sale of these shares.

35 Additional information—Financial Statement Schedule I

Schedule I has been provided pursuant to the requirements of Securities and Exchange Commission ("SEC") Regulation S-X Rule 12-04(a), which require condensed financial information as to financial position, cash flows and results of operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented, as the restricted net assets of Manchester United plc's consolidated subsidiaries as of 30 June 2017 exceeded the 25% threshold.

As of 30 June 2017, the Group had total borrowings of £503.4 million (2016: £490.1 million). As described in note 24 above, the Group's revolving facility, the secured term loan facility and the note purchase agreement governing the senior secured notes each contain certain covenants that restrict the activities of Red Football Limited and its subsidiaries, including restricted payment covenants. The restricted payment covenants allow dividends in certain circumstances, including to the extent dividends do not exceed 50% of the cumulative consolidated net income of Red Football Limited and its restricted subsidiaries, provided there is no event of default and Red Football Limited is able to meet the principal and interest payments on its debt under a fixed charge coverage test. As of 30 June 2017, the Group was in compliance with the restricted payment covenants and all other covenants under its revolving facility, the secured term loan facility and the note purchase agreement governing the senior secured notes.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with International Financial Reporting Standards have been condensed or omitted. The footnote disclosures contain supplemental information only and, as such, these statements should be read in conjunction with the notes to the accompanying consolidated financial statements.

The condensed financial information has been prepared using the same accounting policies as set out in the consolidated financial statements, except that investments in subsidiaries are included at cost less any provision for impairment in value.

As of 30 June 2017, 2016 and 2015 there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of redeemable stocks or guarantees of the Company, except for those which have been separately disclosed in the consolidated financial statements, if any.

During the year ended 30 June 2017, cash dividends equivalent to \$0.18 (2016: \$0.18; 2015: \$nil) per share were declared and paid by the Company. The pounds sterling equivalents were £0.14 (2016: £0.12; 2015: £nil) per share.

Notes to the consolidated financial statements (Continued)

35 Additional information—Financial Statement Schedule I (Continued)

Condensed income statement of the Company

	Year ended 30 June		
	2017 £'000	2016 £'000	2015 £'000
Revenue	—	—	—
Operating expenses	(2,013)	(84)	(144)
Exceptional items	—	—	(1,089)
Operating loss	(2,013)	(84)	(1,233)
Income from shares in group undertakings	23,295	20,084	—
Profit/(loss) on ordinary activities before tax	21,282	20,000	(1,233)
Tax expense	—	—	—
Profit/(loss) for the year	21,282	20,000	(1,233)

There were no items of other comprehensive loss or income in the years ended 30 June 2017, 2016 or 2015 and therefore no statement of comprehensive income has been presented.

Condensed balance sheet of the Company

	As of 30 June	
	2017 £'000	2016 £'000
ASSETS		
Non-current assets		
Investment in subsidiaries	319,265	319,265
	319,265	319,265
Current assets		
Other receivables	1,123	124
Cash and cash equivalents	522	221
	1,645	345
Total assets	320,910	319,610
EQUITY AND LIABILITIES		
Equity		
Share capital	53	52
Share premium	68,822	68,822
Retained earnings	248,314	248,140
	317,189	317,014
Current liabilities		
Other payables	3,721	2,596
	3,721	2,596
Total equity and liabilities	320,910	319,610

Notes to the consolidated financial statements (Continued)

35 Additional information—Financial Statement Schedule I (Continued)

Condensed statement of changes in equity of the Company

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2014	52	68,822	246,310	315,184
Loss for the year	—	—	(1,233)	(1,233)
Total comprehensive loss for the year	—	—	(1,233)	(1,233)
Equity-settled share based payments	—	—	1,352	1,352
Balance at 30 June 2015	52	68,822	246,429	315,303
Profit for the year	—	—	20,000	20,000
Total comprehensive income for the year	—	—	20,000	20,000
Equity-settled share based payments	—	—	1,795	1,795
Dividends paid	—	—	(20,084)	(20,084)
Balance at 30 June 2016	52	68,822	248,140	317,014
Profit for the year	—	—	21,282	21,282
Total comprehensive income for the year	—	—	21,282	21,282
Equity-settled share based payments	—	—	2,187	2,187
Dividends paid	—	—	(23,295)	(23,295)
Proceeds from shares issued	1	—	—	1
Balance at 30 June 2017	<u>53</u>	<u>68,822</u>	<u>248,314</u>	<u>317,189</u>

Notes to the consolidated financial statements (Continued)

35 Additional information—Financial Statement Schedule I (Continued)

Condensed statement of cash flows of the Company

	Year ended 30 June		
	2017 £'000	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit/(loss) before tax	21,282	20,000	(1,233)
Adjustments for:			
Equity-settled share-based payments	2,187	1,795	1,352
Foreign exchange losses on operating activities	42	—	—
Changes in working capital:			
Other receivables	(998)	(124)	—
Other payables	1,125	(1,590)	(101)
Net cash generated from operating activities	23,638	20,081	18
Cash flows from financing activities			
Dividends paid	(23,295)	(20,084)	—
Net cash used in financing activities	(23,295)	(20,084)	—
Net increase/(decrease) in cash and cash equivalents	343	(3)	18
Cash and cash equivalents at beginning of year	221	224	206
Exchange losses on cash and cash equivalents	(42)	—	—
Cash and cash equivalents at end of year	522	221	224

The following reconciliations are provided as additional information to satisfy the Schedule I SEC requirements for parent-only financial information.

	2017 £'000	2016 £'000	2015 £'000
IFRS profit/(loss) reconciliation:			
Parent only—IFRS profit/(loss) for the year	21,282	20,000	(1,233)
Additional profit if subsidiaries had been accounted for on the equity method of accounting as opposed to cost	17,895	16,371	338
Consolidated IFRS profit/(loss) for the year	39,177	36,371	(895)
IFRS equity reconciliation:			
Parent only—IFRS equity	317,189	317,014	315,303
Additional profit if subsidiaries had been accounted for on the equity method of accounting as opposed to cost	160,428	141,268	162,615
Consolidated—IFRS equity	477,617	458,282	477,918