

5. SPORTS INTANGIBLE ASSETS AND NON-CURRENT ASSETS HELD FOR SALE

5.1. Sports intangible assets

The heading "Sports intangible assets" includes player acquisition rights, as well as other items of a similar nature. The breakdown of this heading in the consolidated balance sheet 2022/23 and 2021/22 financial year has been as follows:

June 30th, 2023	Thousands of euros			
	Balance at 06/30/2022	Additions and endowments	Derecognitions, disposals and decreases	Balance at 06/30/2023
Cost:				
Football	620,693	162,863	(211,140)	572,416
Basketball	1,295	725	(920)	1,100
Handball	1,025	325	-	1,350
Roller hockey and others	501	-	-	501
Advances and others	10,550	-	(10,000)	550
Total cost	634,064	163,913	(222,060)	575,917
Accumulated depreciation:				
Football	(372,089)	(88,078)	139,832	(320,335)
Basketball	(1,006)	(463)	920	(549)
Handball	(559)	(309)	-	(868)
Roller hockey and others	(465)	(25)	-	(490)
Total accumulated depreciation	(374,119)	(88,875)	140,752	(322,242)
Impairment:				
Football	(3,188)	(24,161)	24,883	(2,466)
Advances and others	(10,550)	(180)	10,000	(730)
Total impairment	(13,738)	(24,341)	34,883	(3,196)
Net total	246,207	50,697	(46,425)	250,479

June 30th, 2022	Thousands of euros				
	Balance at 06/30/2021	Additions and endowments	Derecognitions, disposals and decreases	Transfers (Note 5.2)	Balance at 06/30/2022
Cost:					
Football	589,560	81,342	(50,209)	-	620,693
Basketball	2,666	239	(1,610)	-	1,295
Handball	1,000	67	(42)	-	1,025
Roller hockey and others	501	-	-	-	501
Advances and others	10,550	-	-	-	10,550
Total cost	604,277	81,648	(51,861)	-	634,064
Accumulated depreciation:					
Football	(277,782)	(112,651)	18,344	-	(372,089)
Basketball	(1,957)	(395)	1,346	-	(1,006)
Handball	(383)	(218)	42	-	(559)
Roller hockey and others	(426)	(39)	-	-	(465)
Total accumulated depreciation	(280,548)	(113,303)	19,732	-	(374,119)
Impairment:					
Football	-	(3,188)	-	-	(3,188)
Advances and others	(10,550)	-	-	-	(10,550)
Total impairment	(10,550)	(3,188)	-	-	(13,738)
Net total	313,179	(34,843)	(32,129)	-	246,207

Player acquisition rights will be considered as an expense in the coming years, without considering the effect of impairment provisions, according to the following estimate:

	Thousands of euros	
	06/30/2023	06/30/2022
Year:		
2022/23	-	93,144
2023/24	77,114	76,835
2024/25	74,795	46,445
2025/26*	68,026	43,521
2026/27 and following	33,740	-
Total	253,675	259,945

*At June 30th, 2022, it corresponds to the expense of the 2025-2026 and subsequent years.

The additions for the year correspond to the acquisition of the federative rights of players for an amount of 163,913 thousand euros (81,648 thousand euros at June 30th, 2022).

At June 30th, 2023, and 2022, there are contingent liabilities derived from the agreements reached with clubs for the acquisition of the federative rights of players who belong to the first team, which are subject to compliance with a series of conditions. The probability of occurrence depends on uncertain events in the future, with the maximum amount payable based on the contractual agreements applicable at the end of the year ended June 30th, 2023, being 69 million euros (70 million euros in the year ended on June 30th, 2022). Likewise, there are agreements with clubs over which the Club has contingent collection rights in relation to players sold or loaned for a maximum amount of 47 million euros (47 million euros in the year ending June 30th, 2022).

Additionally, preferential rights are maintained over certain players and others of a similar nature in the amount of 550 thousand euros (10,550 thousand euros at June 30th, 2022).

The derecognitions for this year correspond mainly to the sale of players that have generated a net profit of 12,137 thousand euros recorded in the heading "Results from disposals and others" of the attached income statement (net profit of 28,232 thousand euros in the year ended June 30th, 2022). Additionally, during the current year, the contracts of several players have been terminated, resulting in a loss of 56,596 thousand euros (15,175 thousand euros in the year ending June 30th, 2022).

Likewise, the heading "Results from disposals and others" of the attached income statement includes other profit amounting to 2,429 thousand euros (14,665 thousand euros in the year ended June 30th, 2022), basically generated by way of collections from variables for the sporting performance agreed in different contracts for the sale of federative rights and for the transfers to other clubs of players who were part of the Club in previous years.

The Club's Board of Directors is not aware of situations that require the recording of impairments of a significant amount at June 30th, 2023, in addition to those recorded in the attached consolidated annual accounts.

The average duration of the employment contracts of the squad to be registered in the Spanish Professional Football League is 5 years from their signature.

At June 30th, 2023, and 2022, there are fully depreciated items amounting to 141,349 and 140,859 thousand euros, respectively.

The players are hired through an employment contract covered by Royal Decree 1006/1985, of June 26th, which regulates the special employment relationship of professional athletes, in a general regime.

The income derived from the transfer and training of players recorded in the heading "Other operating income" of the income statement during the 2022/23 financial year amounts to 5,265 thousand euros (2,418 thousand euros during the 2021/22 financial year) (Note 18.2).

At June 30th, 2023, and 2022, there are no sports intangible assets pledged or with ownership restrictions.