

## 19.2. Audit fees

Audit fees and the fees paid for services provided by the Club's auditor, Ernst&Young, in the 2017/18 and 2016/17 seasons are as follows:

	Thousands of euros	
	2017/18	2016/17
Audit services	142	140
Other assurance services	46	55
<b>Total audit and verification services</b>	<b>188</b>	<b>195</b>
Other services	91	66
<b>Total professional services</b>	<b>279</b>	<b>261</b>

## 19.3. Guarantee commitments to third parties and other financial liabilities

At June 30, 2018 and 2017, the Club has provided guarantees amounting to 10,803 and 16,987 thousand euros, respectively.

The Board of Directors considers that any unforeseen liabilities at June 30, 2018 that could arise from the above-mentioned guarantees, if any, would not be significant.

## 19.4. Control ratios for sporting bodies

The main ratios established in the Economic Control Regulations and other LFP mandatory standards are as follows:

### Break-even point indicator

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

	Thousands of euros		
	T	T-1	T-2
	6/30/2018	6/30/2017	6/30/2016
Relevant income	881,714	691,083	654,371
Relevant expenses	778,245	582,666	554,672
Break-even point (+ surplus, - deficit)	103,469	108,417	99,699
Total break-even point	311,585	-	-
Required break-even point	>0	-	-
<b>Conclusion</b>	<b>MET</b>	<b>-</b>	<b>-</b>

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

	Thousands of euros		
	T	T-1	T-2
	6/30/2018	6/30/2017	6/30/2016
Relevant income			
Gate money	159,286	140,211	138,165
Sponsorship and advertising	216,510	198,682	190,165
Broadcasting rights	179,464	175,345	167,798
Commercial activities	108,723	51,203	50,024
Other operating income	1,777	66,920	61,100
Profit from intangible sporting assets	203,578	19,648	35,364
Financial income and currency translation differences	1,060	5,073	974
Operating grants	100	235	221
Other income not classified in the above headings	11,216	33,766	10,552
Total relevant income	881,714	691,083	654,371
Income recognized in the financial statements			
Total operating income	913,908	-	-
Total financial income	1,060	-	-
Total income recognized in the financial statements	914,968	-	-
<b>Difference</b>	<b>33,254</b>	<b>-</b>	<b>-</b>
Reconciling items			
Income from transactions not related to the professional soccer activity	33,254	-	-
<b>Total reconciling items</b>	<b>33,254</b>	<b>-</b>	<b>-</b>

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

	Thousands of euros		
	T	T-1	T-2
	6/30/2018	6/30/2017	6/30/2016
Relevant expenses			
Cost of sales / equipment	4,525	3,906	3,890
Employee remuneration expense	462,902	324,285	322,800
Other operating expenses	164,009	137,241	127,338
Amortization / Impairment of players' registration rights	113,503	64,510	61,386
Losses on the sale of players' registration rights	200	3,746	864
Finance cost and dividends	12,912	4,607	14,152
Other expenses not classified in the above headings	20,195	44,370	24,242
<b>Total relevant expenses</b>	<b>778,245</b>	<b>582,666</b>	<b>554,672</b>
Expenses recognized in the financial statements			
Total operating expenses	881,886	-	-
Total financial expenses	12,935	-	-
Total corporate income tax	7,218	-	-
Total expenses recognized in the financial statements	902,039	-	-
<b>Difference</b>	<b>123,793</b>	-	-
Reconciling items			
Depreciation / Impairment of property, plant, and equipment	13,765	-	-
Depreciation / Impairment of sporting assets	5,173	-	-
Tax expenses (corporate income tax)	7,218	-	-
Expenses from directly-attributable community development activities	4,886	-	-
Other expenses not included in the above reconciling items	92,751	-	-
<b>Total reconciling items</b>	<b>123,793</b>	-	-

#### Indicator of employee benefits expense related to the registrable squad

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

	Thousands of euros	
	6/30/2018	6/30/2017
Employee benefits expense related to the first and second team soccer squads (*)	473,419	304,995
Relevant income	881,714	691,083
Indicator of employee benefits expense related to the registrable squad	54%	44%
Required indicator of employee benefits expense related to the registrable squad	<70%	<70%
<b>Conclusion</b>	<b>MET</b>	<b>MET</b>

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

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

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

	Thousands of euros	
	6/30/2018	6/30/2017
Employee benefits expense related to the registrable first team soccer squad (a)	456,590	299,360
Non-sporting soccer and structure employees benefit expense related to the first and second team soccer	16,829	5,635
<b>Total employee benefits expense related to the first and second team soccer squads</b>	<b>473,419</b>	<b>304,995</b>
Expenses Squad not registrable with LFP	47,372	59,723
Non-sporting employee benefits expense excluding those included in section (b) and registrable employee benefits expense excluding those included in section (a)	43,440	39,359
<b>Total employee benefits expense</b>	<b>564,231</b>	<b>404,077</b>

#### Ratio of net debt to relevant revenue

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

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

	Thousands of euros	
	6/30/2018	6/30/2017
Net debt	157,449	(8,190)
Relevant income	881,714	691,083
Ratio of net debt to relevant revenue	17,9%	-1,2%
Required ratio of net debt to relevant revenue	<100%	<100%
<b>Conclusion</b>	<b>MET</b>	<b>MET</b>

The breakdown of net debt is as follows:

	Thousands of euros	
	6/30/2018	6/30/2017
<b>Non-current payables</b>		
Bank borrowings (Note 13.1)	(16,177)	(20,000)
Payables to sporting entities for sales and loans of players (Note 13.3)	(97,333)	(8,000)
Other payables	(99)	(197)
Accruals (Note 15)	(16,186)	(5,261)
<b>Total non-current payables</b>	<b>(129,795)</b>	<b>(33,458)</b>
<b>Current payables</b>		
Bank borrowings (Note 13.1)	(49,050)	(8,132)
Payables to sporting entities for sales and loans of players (Note 13.3)	(45,193)	(59,792)
Other payables	(1,333)	(22,646)
<b>Total current payables</b>	<b>(95,576)</b>	<b>(90,570)</b>
<b>Total liabilities entries</b>	<b>(225,371)</b>	<b>(124,028)</b>
<b>Compensating assets entries</b>		
Non-current receivables from sporting entities for sales and loans of players (Notes 10.3 and 10.1)	11,852	8,842
Current receivables from sporting entities for sales and loans of players (Notes 10.3 and 10.1)	15,723	30,562
Cash and cash equivalents	40,347	92,817
<b>Total compensating assets entries</b>	<b>67,922</b>	<b>132,218</b>
<b>Total</b>	<b>(157,449)</b>	<b>8,190</b>