

Company registration number 01630402 (England and Wales)

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr. I Vrentzos Mr. N Randall K.C. Mr. J Owen Mr. K Dourekas Mr. T Cartledge Mr. S Kominakis	(Appointed 3 November 2023) (Appointed 3 November 2023)
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Company number	01630402
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Registered office	The City Ground Pavilion Road West Bridgford Nottingham United Kingdom NG2 5FJ
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Auditor	Azets Audit Services 2 Regan Way Chetwynd Business Park Chilwell Nottingham United Kingdom NG9 6RZ
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NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

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NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report and financial statements for the year ended 30 June 2023.

Fair review of the business

Nottingham Forest Football Club Limited remains 100% owned by NF Football Investments Limited, which is in turn owned by Mr E Marinakis (80%) and Mr S Kominakis (20%).

Financial Performance

The reporting year 2022/2023 saw Nottingham Forest retain their Premier League status in the Club's first season back in the Premier League following a 23 year absence, finishing 16th in the final standings. The summer transfer window of 2022 saw a significant investment in the First Team to ensure the squad was built for sustained Premier League success with further investment in both the January and summer transfer window in 2023. The Club recorded record revenues of £154.8m (2022: £29.7m).

Administrative expenses have increased to £203.1m (2022: £73.7m). The main driver behind the significant rise in costs is due to the increase in wages and bonuses for playing Premier League Football. The Club's recruitment saw a record level of investment by the ownership to ensure the Club were able to attract elite talent to give the team the best opportunity to compete in the Premier League. There were also bonuses for both playing and non-playing staff members triggered upon League retention.

The operating loss for the year was £59.6m (2022: £49.5m loss) increasing to a loss before tax of £67.2m (2022: £46.2m loss) after interest and profit on disposal of players.

The owners remain committed to the long-term future of the Club and its funding exemplified by the conversion of £11m from loans to equity.

Principal risks and uncertainties

The key potential risks for the club's board to manage are as follows:

- First team performance and the direct impact on league status, position, and revenue generation.
- Recruitment and retention of players and key staff.
- Supporter attendance levels at first team matches.
- Negotiation of key commercial contracts.
- Compliance with the rules and regulations of the applicable football governing bodies.
- Health & Safety considerations, including terrorism threats arising from operating a sporting venue.
- Cash management in line with available working capital.

First team performance can have a significant impact on other key areas of risk, so investment in the playing squad and academy continues to be a priority within the financial and regulatory constraints within which the Club operates. The board have systems in place to monitor the risks and uncertainties and take corrective action when required.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Key performance indicators

The Club uses a variety of both financial and non-financial measures to monitor and manage the business effectively and identify areas for improvement. The principal key performance indicators (KPIs) used by the board in assessing the overall performance of the Club are as follows: -

Key Performance Indicators	2023	2022	2021
League	Premier League	EFL Championship	EFL Championship
League Position	16th	4th	17th
Turnover (£'000)	154,758	29,683	18,408
Average match attendance (number)	28,808	25,778	0
Season tickets sold (number)	20,029	20,757	0

Going concern

The Company is dependent on funding from its parent company NF Football Investments Limited and its ultimate beneficial owner. In determining the appropriate basis of preparation of this Report and Financial Statements, the Directors are required to consider whether the Company can continue its operational existence for the foreseeable future; being at least 12 months from the date of approval of the financial statements.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts which extends for the period of 12 months from the approval of the financial statements. In addition to the scenario in which Premier League status is retained, the forecast includes a scenario where the club is relegated from the Premier League at the end of the 2023/24 Premier League season.

In both scenarios there is a funding requirement from the parent company and the ultimate beneficial owner to enable the Club to continue to meet its obligations as they fall due for a period of not less than 12 months from the approval of these financial statements. Such funding is expected to be in the form of further loans from the parent company and ultimate beneficial owner and conversion of debt to equity. The Directors have made enquiries as to the ability of the ultimate beneficial owner to provide the funding required and are comfortable this can be met.

The parent company and its ultimate beneficial owner have indicated to the Directors, in letters of support that have been received, that they have no intention to recall the loan amounts for at least 12 months from the date of signing the financial statements. On the 30 June 2023, the parent company converted £11m of debt to equity.

In addition, the directors consider that the market value of the first team squad is in excess of its carrying value in the financial statements with player transfers remaining a source of liquidity if required.

The directors have concluded, after reviewing the work performed and detailed above, that they can adopt the going concern basis in preparing these financial statements.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

First Team

The 22/23 season proved to be a challenging and exciting campaign, that ultimately proved a successful one with the Club securing their divisional status by beating Arsenal in the penultimate game of the season. Despite a poor start, the Club and the supporters drove the team forward to ensure Premier League football was secured for another season. The success realised during the 2022/23 season was very much a culmination of all the hard work of those at the Club together with the investment made by the ownership since 2017.

U21's and Academy

The Club has continued to invest in the Academy structure following the retention of Category 1 status. Further enhancements to the coaching, education and welfare structure are active and ongoing into the 2022/23 season. The Club continue to invest in the facilities at the Nigel Doughty Academy site to support the growth of provision.

Sponsorship & Commercial

Sponsorship & Commercial income was up significantly in the year due to the audience and funding that comes with being a Premier League club alongside the increased commercial opportunities. During the 2022/23 season Nottingham Forest Football Club made a new international charity partnership with UK for UNHCR, the UN Refugee Agency, to support relief efforts for people fleeing conflict and persecution around the world. The Club has used all its available commercial and marketing channels to drive awareness of UNHCR's humanitarian work, such as the delivery of emergency shelter, medical aid, water and sanitation when families are forced from their homes by conflict and persecution. The Club has also made a donation in the form of financial support and the front of shirt inventory held by the Club to UNHCR. The value of the donations is estimated to be at least £6.5m.

Stadium Redevelopment

Despite progress being severely hampered during Covid, the Club continued to invest significant amounts of time and money in the redevelopment project at the City Ground. In July 2022 a significant milestone was reached, with Rushcliffe Borough Council upholding the recommendation of its Planning Officers to approve the Club's planning application. This is the culmination of three years of dedicated work by the Club and its advisers and is a crucial step forward that will help maintain the Club's status in the Premier League and support future growth both for the Club and the surrounding area. The Club will now move onto the next phase of the process, having detailed discussions with its advisers and partners on how and when the development will be delivered.

Nottingham Forest Women's Football Club

The Club continues to actively support and encourage the development of the Women's programme at the Club. The Club has continued to attract new commercial partners to the programme during this period and remains committed to building a positive elite player environment. With the team performing well, Championship football is the target in the short term with the Club providing investment to support the Women's team on the journey of progress.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Community Activity

Nottingham Forest Community Trust continues to make a positive impact in the City and the County, building strong relationships and working collaboratively with a range of partners and organisations, including the Premier League, Local Authorities, and club commercial partner Ideagen.

The Trust has successfully launched its three-year strategic plan with expectations of continued growth and impact through programmes and initiatives that benefit local communities.

Guided by extensive consultation with our people, partners, stakeholders, and investors, the Trust's priorities are shaped by local insight and data. This approach allows the Trust to focus efforts and resources where they will make the greatest difference and support those who need us.

Supporter Relations

The Club is committed to an ongoing dialogue and consultative process with its supporters. With more than 20,000 season card holders in the 2022/23 season as well as sell-out crowds throughout, the Club understands the importance and value of its fans.

Across the season, the club hosted regular meetings with the elected representatives of the supporters trust in accordance with the formal agreement between the club and the trust. This is in accordance with best practice within the Premier League fan engagement standard. In addition to this the Club has also had frequent dialogue with supporters' clubs and fan groups.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have the highest regard to the interest of the club's employees, supporters, commercial partners, and other stakeholders.

On behalf of the board

Mr. T Cartledge

Director

22 December 2023

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the company continued to be that of a professional football club.

Results and dividends

The results for the year are set out on page 11.

The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. I Vrentzos

Mr. N Randall K.C.

Mr. J Owen

Mr. D Murphy (CEO)

(Resigned 8 January 2023)

Mr. K Dourekas

Mr. T Cartledge

(Appointed 3 November 2023)

Mr. S Kominakis

(Appointed 3 November 2023)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Future developments

The Club has detailed its future development plans within the Strategic Report, with the significant future development being the stadium redevelopment.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Post reporting date events

Since the Balance Sheet date various players have been bought and sold.

Steve Cooper left his position as Head Coach of the club on 19 December 2023. Nuno Espirito Santo was appointed as Head Coach on 20 December 2023.

The income of these transfers, taking into account the applicable levies and sell on clauses, is £58.8m (2022: £5.3m). The net cost of these transfers and staff changes, taking into account the applicable levies is £86.5m (2022: £169.9m). These transfers will be accounted for in the year ending 30 June 2024.

On 21 September 2023, the company entered into a further loan agreement for £10m with an Independent UK based lender which is repayable in full on 30 July 2025 at a rate of interest of 6.45% above the BoE base rate. This loan is secured by a first priority fixed and floating charge debenture over the entirety of the business and assets of the company.

On 31 October 2023, the company entered into a term facility agreement for £28.2m with an Independent UK based Financial Institution to bring forward the sales proceeds from the sale of Brennan Johnson. This facility is repayable over 3 years at a rate of interest of 8.2%

On behalf of the board

Mr. T Cartledge

Director

22 December 2023

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Nottingham Forest Football Club Limited (the 'company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Mr Stephen Anthony Harcourt FCCA
Senior Statutory Auditor
For and on behalf of Azets Audit Services

22 December 2023

Chartered Accountants
Statutory Auditor

2 Regan Way
Chetwynd Business Park
Chilwell
Nottingham
United Kingdom
NG9 6RZ

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £000	2022 £000
Turnover	3	154,758	29,683
Cost of sales		(11,176)	(5,512)
Gross profit		143,582	24,171
Administrative expenses		(203,140)	(73,684)
Other operating expenses		-	(20)
Operating loss	7	(59,558)	(49,533)
Interest payable and similar expenses	8	(10,302)	(768)
Profit on disposal of player registrations	9	2,614	4,084
Loss before taxation		(67,246)	(46,217)
Tax on loss	10	-	607
Loss for the financial year		(67,246)	(45,610)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023	2022
	Notes	£000	£000
Fixed assets			
Intangible assets	11	138,207	11,660
Tangible assets	12	14,960	7,216
		<u>153,167</u>	<u>18,876</u>
Current assets			
Stocks	14	1,029	274
Debtors	15	14,875	8,341
Cash at bank and in hand		92	6
		<u>15,996</u>	<u>8,621</u>
Creditors: amounts falling due within one year	16	<u>(158,821)</u>	<u>(79,550)</u>
Net current liabilities		<u>(142,825)</u>	<u>(70,929)</u>
Total assets less current liabilities		<u>10,342</u>	<u>(52,053)</u>
Creditors: amounts falling due after more than one year	19	<u>(119,741)</u>	<u>(1,100)</u>
Net liabilities		<u><u>(109,399)</u></u>	<u><u>(53,153)</u></u>
Capital and reserves			
Called up share capital	21	122,144	111,144
Share premium account		70,345	70,345
Capital redemption reserve		13,965	13,965
Profit and loss reserves		<u>(315,853)</u>	<u>(248,607)</u>
Total equity		<u><u>(109,399)</u></u>	<u><u>(53,153)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

Mr. T Cartledge
Director

Company Registration No. 01630402

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 July 2021		70,144	70,345	13,965	(202,997)	(48,543)
Year ended 30 June 2022:						
Loss and total comprehensive income for the year		-	-	-	(45,610)	(45,610)
Issue of share capital	21	41,000	-	-	-	41,000
Balance at 30 June 2022		111,144	70,345	13,965	(248,607)	(53,153)
Year ended 30 June 2023:						
Loss and total comprehensive income for the year		-	-	-	(67,246)	(67,246)
Issue of share capital	21	11,000	-	-	-	11,000
Balance at 30 June 2023		122,144	70,345	13,965	(315,853)	(109,399)

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	28	1,740	(37,649)
Interest paid		(5,025)	(388)
Net cash outflow from operating activities		(3,285)	(38,037)
Investing activities			
Purchase of players registrations		(64,769)	(5,737)
Proceeds from disposal of players registrations		5,336	19,314
Purchase of tangible fixed assets		(8,372)	(1,727)
Proceeds from disposal of tangible fixed assets	10	10	11
Net cash (used in)/generated from investing activities		(67,795)	11,861
Financing activities			
Proceeds from NF Football Investments Limited		32,095	24,501
Proceeds/(repayment) of loans		34,371	(6,656)
Net cash generated from financing activities		66,466	17,845
Net decrease in cash and cash equivalents		(4,614)	(8,331)
Cash and cash equivalents at beginning of year		(7,933)	398
Cash and cash equivalents at end of year		(12,547)	(7,933)
Relating to:			
Cash at bank and in hand		92	6
Bank overdrafts included in creditors payable within one year		(12,639)	(7,939)

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Nottingham Forest Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is The City Ground, Pavilion Road, West Bridgford, Nottingham, United Kingdom, NG2 5FJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment' Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures' Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of NF Football Investments Limited. These consolidated financial statements are available from Companies House, Crown Way Cardiff CF14 3UZ.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.2 Going concern

The Company is dependent on funding from its parent company NF Football Investments Limited and its ultimate beneficial owners. In determining the appropriate basis of preparation of this Report and Financial Statements, the Directors are required to consider whether the Company can continue its operational existence for the foreseeable future; for at least 12 months from the date of signing of this report.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts which extends for the period of 12 months from the approval of the financial statements. In addition to the scenario in which Premier League status is retained, the forecast includes a scenario where the club is relegated from the Premier League at the end of the 2023/24 Premier League season.

In both scenarios there is a funding requirement from the parent company and the ultimate beneficial owners to enable the Club to continue to meet its obligations as they fall due for a period of not less than 12 months from the approval of these financial statements. Such funding is expected to be in the form of further loans from the parent company and ultimate beneficial owners and conversion of debt to equity.

The parent company and its ultimate beneficial owners have indicated that they have no intention to recall the loan amounts for at least 12 months from the date of signing the financial statements. On the 30 June 2023 the parent company converted £11m of debt to equity.

In addition, the directors consider that the market value of the first team squad is in excess of its carrying value in the financial statements, with player transfers remaining a source of liquidity if required.

The directors have concluded, after reviewing the work performed and detailed above, that they can adopt the going concern basis in preparing these financial statements.

1.3 Turnover

Turnover represents all income arising from the activities of the company excluding player transfer fees and Value Added Tax. Included within turnover are English Premier League receipts, net gate receipts, merchandising/retail receipts, sponsorship and advertising receipts, conferancing and event receipts and other income.

English Premier League income is recognised in full in the season to which it relates.

Season tickets and seasonal hospitality income is recognised over the season to which they relate and released over the home matches played.

Sponsorship and advertising income is recognised over the duration of the contract.

Net gate receipts, including match day hospitality receipts are recognised on the relevant match date.

Conference and event income is recognised on the date of the event.

Retail income is recognised at the point of sale.

1.4 Intangible fixed assets other than goodwill

The cost of acquiring players' registrations including club agent fees are included in the balance sheet as intangible assets at cost less amortisation, which is charged as follows:

Players' registrations

Over the life of the players' contract

Provision is made where, in the opinion of the directors, an impairment of the carrying value of the players' registrations has occurred.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2-5%
Land and buildings Leasehold	5%
Plant and machinery	10-25%
Fixtures, fittings & equipment	15-20%
Assets under construction	Not depreciated
Motor vehicles	10-25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

At each balance sheet date, stocks are assessed for impairment. Any impairment loss is recognised immediately in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Basic financial instruments (other than those wholly repayable or receivable within one year) including transfer fees receivable are measured at amortised cost, using the effective interest method. The effective interest rate is the rate which exactly discounts the estimated future payments or receipts over the life of the instrument to its carrying amount at initial recognition, re-estimated periodically to reflect changes in the market rate of interest. Basic financial instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and transfer fees payable, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company provides pension benefits based on final pensionable pay through a multi-employer scheme. It is not possible to identify the company's share of the underlying assets and liabilities of the scheme and it is therefore accounted for as if it were a defined contribution scheme. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are based on actuarial advice, and charged to the profit and loss account as they become payable. The company continues to make contributions in respect of its share of the deficit of the defined benefit section of the Football League Limited Pension and Life Assurance Scheme. As one of a number of participating employees the company is advised only of its share of the scheme deficit and recognises a liability in respect of this.

The company also provides pension benefits through defined contribution schemes

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Heritage assets

The Club holds a collection of football memorabilia which is not recognised in the Balance Sheet as cost information is not readily available and the directors believe that the benefits of obtaining valuations for these items would not justify the cost. The memorabilia has been built up over many years through existing items from the Club, donations and occasional acquisitions. The Club draws upon the collection for display in the stadium. The directors are of the opinion, that should a valuation for the collection be obtained, that the valuation would not be material in the context of these accounts and is incidental to the main activity of the Club. Consequently further disclosures under FRS102 - Heritage Assets are not deemed necessary.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible assets, depreciation and residual values

The directors have reviewed the estimates for useful lives and associated residual values of all tangible asset classes and have concluded that useful lives and residual values are appropriate.

The useful lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and potential disposal values.

Intangible assets, amortisation and residual values

The directors have reviewed the estimates for useful lives and associated residual values of all intangible asset classes and have concluded that useful lives and residual values are appropriate.

The useful lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. In re-assessing useful lives, factors such as player health and fitness are taken account. Residual value assessments consider issues such as future market conditions, current league status, the remaining life of the asset and the net present value of such cashflows.

Impairment of non-current assets

The company assesses the impairment of tangible and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results, including relegation from the current league;
- Significant damage or, in the context of players, significant injury;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business;
- Significant negative industry or economic trends.

Non-current transfer fees receivable and payable

The company measures non-current transfer fees payable and receivable at amortised cost using the effective interest method. The effective interest rate is the rate which exactly discounts the estimated future payments or receipts over the life of the instrument to its carrying amount at initial recognition, re-estimated periodically to reflect changes in the market rate of interest.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£000	£000
Turnover analysed by class of business		
Gate receipts	10,992	8,227
Media related activity	124,836	12,158
Merchandising	7,127	3,550
Other commercial	11,803	5,748
	<u>154,758</u>	<u>29,683</u>

4 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2023	2022
	£000	£000
For audit services		
Audit of the financial statements of the company	50	23
	<u>50</u>	<u>23</u>
For other services		
Taxation compliance services	8	4
Other taxation services	15	20
All other non-audit services	4	7
	<u>27</u>	<u>31</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Playing staff	84	69
Non-playing staff	170	142
	<u>254</u>	<u>211</u>

In addition to the above the Club also employs an average of 382 (2022: 343) temporary staff.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

5 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £000	2022 £000
Wages and salaries	129,718	51,817
Social security costs	14,929	6,593
Pension costs	265	155
	<u>144,912</u>	<u>58,565</u>

6 Directors' remuneration

	2023 £000	2022 £000
Remuneration for qualifying services	1,091	1,293
Company pension contributions to defined contribution schemes	61	11
	<u>1,152</u>	<u>1,304</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2022 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £000	2022 £000
Remuneration for qualifying services	568	906
Company pension contributions to defined contribution schemes	47	9
	<u>615</u>	<u>915</u>

7 Operating loss

	2023 £000	2022 £000
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	297	96
Depreciation of owned tangible fixed assets	618	424
(Profit)/loss on disposal of tangible fixed assets	(1)	6
Amortisation of player registrations	40,766	7,310
Profit on disposal of player registrations	2,614	4,084
Promotion related payments	-	20,920
Operating lease charges	390	185
	<u>44,773</u>	<u>33,035</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

8 Interest payable and similar expenses

	2023	2022
	£000	£000
Interest on bank overdrafts and loans	70	-
Interest in respect of transfer fee discounting	5,277	-
Non bank interest on loans	4,916	718
Interest on finance leases and hire purchase contracts	39	-
Net interest on the net defined benefit liability	-	50
	<hr/>	<hr/>
	10,302	768
	<hr/>	<hr/>

9 Other gains and losses

	2023	2022
	£000	£000
Profit on disposal of player registrations	2,614	4,084
	<hr/>	<hr/>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Taxation

	2023 £000	2022 £000
Current tax		
Adjustments in respect of prior periods	-	(607)
	<u> </u>	<u> </u>

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £000	2022 £000
Loss before taxation	(67,246)	(46,217)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	(13,785)	(8,781)
Tax effect of expenses that are not deductible in determining taxable profit	8,411	1,471
Adjustments to tax charge in respect of previous periods	-	(15,098)
Research and development tax credit	-	(607)
Other permanent differences	30	-
Fixed asset differences	-	(19)
Remeasurement of deferred tax for changes in tax rates	(1,175)	-
Movement in deferred tax not recognised	6,519	22,427
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	-	(607)
	<u> </u>	<u> </u>

Deferred Tax - Unprovided

	2023 £000	2022 £000
Capital allowances in excess of depreciation	49	56
Other short term timing differences	(111)	(98)
Losses	(69,540)	(62,867)
	<u> </u>	<u> </u>
	(69,602)	(62,909)
	<u> </u>	<u> </u>

Deferred tax balances must be recognised at the future tax rate applicable when the balance is expected to unwind.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

11 Intangible fixed assets

	Players' registrations £000
Cost	
At 1 July 2022	17,448
Additions	169,935
Disposals	(8,880)
At 30 June 2023	178,503
Amortisation and impairment	
At 1 July 2022	5,788
Amortisation charged for the year	40,766
Disposals	(6,258)
At 30 June 2023	40,296
Carrying amount	
At 30 June 2023	138,207
At 30 June 2022	11,660

12 Tangible fixed assets

	Land and buildings Freehold £000	Land and buildings Leasehold £000	Assets under construction £000	Plant and machinery £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Cost							
1 July 2022	4,705	15,203	2,417	2,447	4,422	-	29,194
Additions	1,803	4,756	449	405	793	166	8,372
Disposals	-	(10)	-	-	-	-	(10)
30 June 2023	6,508	19,949	2,866	2,852	5,215	166	37,556
Depreciation							
1 July 2022	1,285	14,275	-	2,271	4,147	-	21,978
Depreciation charged	115	169	-	128	206	-	618
30 June 2023	1,400	14,444	-	2,399	4,353	-	22,596
Carrying amount							
30 June 2023	5,108	5,505	2,866	453	862	166	14,960
30 June 2022	3,420	928	2,417	176	275	-	7,216

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

13 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Nottingham Forest Women's Football Club Limited	The City Ground, Pavillion Road, West Bridgford, Nottingham, United Kingdom, NG2 5FJ	Women's football club	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£000	£000
Nottingham Forest Women's Football Club Limited	13	20

14 Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	1,029	274

15 Debtors

	2023 £000	2022 £000
Amounts falling due within one year:		
Trade debtors	4,325	1,079
Amounts receivable in respect of player transfers	2,191	4,869
Other debtors	36	172
Prepayments and accrued income	5,573	2,221
	<u>12,125</u>	<u>8,341</u>
Amounts falling due after more than one year:		
Amounts receivable in respect of player transfers	2,750	-
	<u>2,750</u>	<u>-</u>
Total debtors	<u>14,875</u>	<u>8,341</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15 Debtors

(Continued)

The company measures non-current transfer fees receivable at amortised cost using the effective interest method. The effective interest rate of 6.5% is the rate which exactly discounts the estimated future payments or receipts over the life of the instrument to its carrying amount at initial recognition, re-estimated periodically to reflect changes in the market rate of interest.

16 Creditors: amounts falling due within one year

	Notes	2023 £000	2022 £000
Bank loans and overdrafts	17	12,639	7,939
Obligations under finance leases	18	318	-
Other borrowings	17	439	11,131
Amounts payable in respect of player transfers		45,899	10,969
Trade creditors		12,517	8,745
Amounts due to group undertakings		23,360	2,265
Other taxation and social security		8,170	4,909
Other creditors		19,750	10,841
Accruals and deferred income		35,729	22,751
		<u>158,821</u>	<u>79,550</u>

Amounts owed to group undertakings are unsecured, have no fixed date for repayment and are all repayable on demand. The directors do not expect to make substantial repayment of the amounts owed to group undertakings within 12 months following approval of these financial statements.

17 Loans and overdrafts

	2023 £000	2022 £000
Bank overdrafts	12,639	7,939
Loans from related parties	-	338
Other loans	439	10,793
	<u>13,078</u>	<u>19,070</u>
Payable within one year	<u>13,078</u>	<u>19,070</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

18 Finance lease obligations

	2023 £000	2022 £000
Future minimum lease payments due under finance leases:		
Within one year	318	-
In two to five years	248	-
	<u>566</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Creditors: amounts falling due after more than one year

	Notes	2023 £000	2022 £000
Obligations under finance leases	18	248	-
Amounts payable in respect of player transfers		71,336	1,100
Other loans		44,501	-
Other creditors		3,656	-
		<u>119,741</u>	<u>1,100</u>

The company measures non-current transfer fees payable at amortised cost using the effective interest method. The effective interest rate of 6.5% is the rate which exactly discounts the estimated future payments or receipts over the life of the instrument to its carrying amount at initial recognition, re-estimated periodically to reflect changes in the market rate of interest.

On 15 August 2022 the company entered into a loan agreement for £45m with an Independent UK based lender which is repayable over 3 years at a rate of interest which is the aggregate of Base rate and 7.5%. This loan is secured against first legal charge over Freehold and Leasehold land and buildings.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

20 Retirement benefit schemes

	2023	2022
Charge to profit or loss in respect of defined contribution schemes	265	155

Certain staff of the company are members of either the Football League Limited Pension and Life Assurance Scheme ('FLLPLAS') comprising both defined benefit (suspended from 31 August 1999) and defined contribution sections, or the Football League and FA Premier League Group Pension Plan, a defined contribution scheme.

The company is one of a number of participating employers in the FLLPLAS and it is not possible to identify its share of the assets and liabilities, and therefore to allocate any actuarial surplus or deficit on a consistent and reasonable basis; consequently contributions are expensed in the profit and loss account as they become payable. The assets of the schemes are held separately from those of the company, being invested with insurance companies.

Following a review of the Minimum Funding Requirement ('MFR') of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1995 participating employers will be required to contribute to the deficiency. The Club was advised that a basis of apportionment of the deficit had been approved by the trustees and their advisors, although in practice there are a number of important issues which remain to be resolved that could impact on the final quantification of this liability. In accordance with FRS102, a liability of £317,747 (2022: £419,675) has been recorded in the financial statements equal to the net present value of the future deficit reduction payments.

21 Share capital

	2023 Number '000	2022 Number '000	2023 £000	2022 £000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	12,214,429	11,014,430	122,144	111,144

1,100,000,000 shares of £0.01 (2022: 4,100,000,000 shares of £0.01) were issued on the 30 June 2023 in consideration of a waiver of debt of £11,000,000 (2022: £41,000,000) from the company's parent undertaking, NF Football Investments Limited.

22 Financial commitments, guarantees and contingent liabilities

The contingent liability from player purchases and First Team management changes amounts to approximately £45,761,437 (2022 - £3,784,673).

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £000	2022 £000
Within one year	289	174
Between two and five years	1,081	387
In over five years	8,686	2,620
	<u>10,056</u>	<u>3,181</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023 £000	2022 £000
Acquisition of tangible fixed assets	<u>2,098</u>	<u>2,844</u>

25 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Loans received in the year		Loans repaid in the year	
	2023 £000	2022 £000	2023 £000	2022 £000
Director loan account	-	126	342	208
NF Football Investments Limited - Debt/Equity swap	-	-	11,000	41,000
NF Football Investments Limited	<u>32,095</u>	<u>24,433</u>	<u>-</u>	<u>6</u>

The following amounts were outstanding at the reporting end date:

	2023 £000	2022 £000
Amounts due to related parties		
Director loan account	-	338
NF Football Investments Limited	<u>23,360</u>	<u>2,265</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

25 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2023	2022
Amounts due from related parties	£000	£000
Director loan account	4	-

Other information

During the year, the Club made sales to other related parties under common control of £1.1m and incurred costs of £0.1m. At 30 June 2023 included within other creditors are amounts payable to related parties of £10.1m (2022 - £10.4m).

26 Events after the reporting date

Since the Balance Sheet date various players have been bought and sold.

Steve Cooper left his position as Head Coach of the club on 19 December 2023. Nuno Espirito Santo was appointed as Head Coach on 20 December 2023.

The income of these transfers, taking into account the applicable levies and sell on clauses, is £58.8m (2022: £5.3m). The net cost of these transfers and staff changes, taking into account the applicable levies is £86.5m (2022: £169.9m). These transfers will be accounted for in the year ending 30 June 2024.

On 21 September 2023, the company entered into a further loan agreement for £10m with an Independent UK based lender which is repayable in full on 30 July 2025 at a rate of interest of 6.45% above the BoE base rate. This loan is secured by a first priority fixed and floating charge debenture over the entirety of the business and assets of the company.

On 31 October 2023, the company entered into a term facility agreement for £28.2m with an Independent UK based Financial Institution to bring forward the sales proceeds from the sale of Brennan Johnson. This facility is repayable over 3 years at a rate of interest of 8.2%

27 Ultimate controlling party

Nottingham Forest Football Club Limited is a wholly owned subsidiary of NF Football Investments Limited.

The largest group of companies which publishes consolidated financial statements and of which the company is a member is NF Football Investments Limited. These consolidated financial statements are available from Companies House, Crown Way Cardiff CF14 3UZ.

The ultimate controlling party of the Club at 30 June 2023 was Mr E Marinakis.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

28 Cash generated from operations

	2023 £000	2022 £000
Loss for the year after tax	(67,246)	(45,610)
Adjustments for:		
Finance costs	5,025	388
Amortisation and impairment of players registrations	40,766	7,310
Depreciation and impairment of tangible fixed assets	618	424
Profit on disposal of players registration	(2,614)	(4,084)
Movements in working capital:		
(Increase)/decrease in stocks	(755)	207
(Increase) in debtors	(6,630)	(1,341)
Increase in creditors	32,576	5,057
Cash generated from/(absorbed by) operations	1,740	(37,649)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.