



MILLWALL HOLDINGS LTD

Registered Number: 2355508

Report and Accounts for the year ended 30 June 2023



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Directors and Advisers

DIRECTORS

James Berylson (Non-Executive)
Peter Garston (Non-Executive)
Constantine Gonticas (Non-Executive)
Trevor Keyse (Non-Executive)
Demos Kouvaris (Non-Executive)
Richard S Press (Non-Executive)
Matthew Sidman (Non-Executive)
Stephen Kavanagh (Chief Executive)

SECRETARY

Emma C Parker

REGISTERED OFFICE

The Den
John Berylson Way
London SE16 3LN
Registered no. 2355508

INDEPENDENT AUDITORS

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55 Baker Street
London W1U 7EU

TAX ADVISORS

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London SE1 2AF

SOLICITORS

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Birmingham. B4 6AH

PRINCIPAL BANKERS

Barclays Bank plc
Corinthian House
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Croydon
Surrey CR0 2BX

REGISTRARS AND TRANSFER OFFICE **Computershare Investor Services PLC**

The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Strategic Report

Principal activities

The Company is the holding company of a group engaged primarily in the operation of a professional football club (Millwall or the club), through its subsidiary, The Millwall Football and Athletic Company (1985) Ltd (together the Group).

Business review

The campaign under review, 2022/23, was the club's sixth consecutive season in the Sky Bet Championship, which is the second tier of English football.

The team enjoyed another strong and successful season, narrowly missing out on a place in the division's top six and Play-Off places on the last day of the campaign. The final points tally was 68, one fewer than the previous season, but it was enough to secure an eighth-place finish, one position higher than 2021/22.

A total of 26 different players were used over the course of the campaign, which was the same as the previous season. This total remains one of the lowest in the Championship and highlights the club's tight controls around budget and squad size in comparison to some of their competitors.

There was a senior debut for one Academy graduate during the season, while several others who have progressed through the club's youth ranks continued to feature prominently. A consistent player pathway from Academy to first team is at the core of the club's philosophy and remains a vital strategic objective as part of wider plans for growth and development both on the football and business sides of the operation.

The club is required to comply with the EFL's Profit and Sustainability Rules which, in overview, permit clubs to incur losses up to £39m over a three-year period before any restrictions on spending are applied, providing that losses in excess of £5m per year are funded through equity. In the season under review, the club were once again well within these financial limits and the Board remains totally committed to complete compliance with the rules to ensure the sustainability and health of the club for the benefit of all stakeholders.

Competitive imbalances within the Championship continue to grow each season as the financial strength of the Premier League, the division above, increases year on year. Clubs relegated from the Premier League into the Championship arrive with parachute payments, which serve to distort on-pitch competition, player salaries, the recruitment market, and more.

As outlined in last year's strategic report, the COVID-19 pandemic, as well as the failed European Super League initiative, accelerated talk at government level of stricter financial controls and better governance of clubs. The Fan Led Review was a significant step towards achieving those aims, but despite ongoing discussions amongst all stakeholders, 2022/23 saw no 'new deal' for football. The club remains supportive both of calls for an Independent Regulator of the sport and a redistribution of income from the Premier League to the EFL, providing it comes with enhanced regulation to help improve the sustainability of clubs. Regulation and redistribution must come as one.

A review of the Group's financing, property development and regeneration activities is provided later in this report

John Berylson

In July 2023, John Berylson, the club Chairman tragically passed away following a car accident. John's sudden and tragic passing unquestionably impacted all those who were fortunate to have known him. He was a truly great man, incredibly devoted to his family, and a person of such remarkable generosity, warmth, and kindness. He lived a storied life, one full of colour and joy, and was infinitely thoughtful of others with an endless desire to share his immense knowledge and experiences to help people.

Under John's passionate leadership and guidance, Millwall Football Club has enjoyed tremendous success and stability. Since first becoming involved in the club in 2006, he has presided over some of the greatest moments in Millwall's history, and his influence in providing the platform for those was immeasurable.

John revelled in the club's underdog status and mentality. He related strongly to such values and identity and adored Millwall supporters. He was fiercely loyal to all his staff, and both they and the fan base will miss him beyond measure. Any success moving forward will be in his memory and honour. It will be his legacy.

Rest in peace, John, and thank you. You were loved and adored.

Results

The consolidated statement of comprehensive income is set out on page 12.

Revenue for the year at £19.4m (2022 - £18.6m) is an increase of 4% (2022 - 49.2% increase). Total matchday revenue has increased by 7% year on year from £5.8m in 2021/22 to £6.2m in 2022/23. Commercial revenue, whilst showing a 19% decrease for 2023, this is due to the business decision to outsource the retail operations, and we see an offsetting saving in the cost of sales. Other Commercial areas, such as external location hires have seen significant increases since 2022.

Central income from EFL basic award has a 17% increase year on year, as well as 177% increase from TV facilities fees £715k vs 258k in 2022. Streaming income has also seen significant increase of 213%, £397k vs £127k in 2022.

Average league attendance for the year was 14,767 compared to an average of 12,998 in 2022, representing a year on year increase of 13.6% as well as the highest average attendance for the club since moving to the Den in the 1990's.

Total staff costs of £22.6m represent a 1% increase over the prior year (2022 - £22.3m), reflecting the continued investment both into the playing squad, as well as the football management team that took place during the year.

Other expenses have increased significantly year on year in line with the increase in business activity, with the 15% (2021/22 - 45.8%) increase to £7.8m (2021/22 £6.6m) reflecting the more ordinary levels of business activity and increased fan attendance.

Net finance costs for the year were £1.0m (2022: £0.9m). During the year, Chestnut Hill Ventures LLC (CHV), the majority shareholder of the Company and principal provider of funding facilities, along with the Company's other loan note holders, agreed that the interest free period on their loan notes of £10.5m (2022: £10.5m) would be further extended from 1 July 2023 to 30 June 2024 (when interest will begin to accrue again unless CHV agrees otherwise). Loan repayments have also been extended by one year to 1 July 2025.

Following a shareholder general meeting on 23 June 2022, the shareholders approved the resolution to re-register the Company as a private limited company. The Company name was changed Millwall Holdings Limited, and new articles of association were agreed at that time.

Strategic Report

Results (continued)

On 7 October 2022 at a shareholder general meeting held for the Company the shareholders approved a consolidation of every 1,000 existing ordinary shares and every 10,000 existing B Shares to be consolidated into one new ordinary share with a nominal value of £10,000. In addition the shareholders also approved the buy back of the deferred share capital of the Company which were subsequently cancelled.

At 30 June 2023, the Group had net assets of £170k (2022: net liabilities £5.1m).

The directors do not recommend payment of a dividend.

Commercial Endeavours

The club would like to thank all its various sponsors and partners, at all levels, for their invaluable support throughout 2022/23.

Continued growth of all commercial revenues is of critical importance to the club's overarching strategic direction.

A series of highly attended and sell-out matches towards the business end of the season, some of which were record-breaking at that time, propelled ticket and hospitality revenues far in excess of budget. Season ticket numbers were also at historic levels for the campaign. However, overall, these enhanced revenues were partially offset as a result of Elite Sports Group Ltd, the club's retail provider, going into administration during November 2022 which resulted in the termination of the agreement between both parties. It is hoped that a new multichannel retail partnership with Fanatics, announced in April 2023, will be significantly more beneficial for the club and supporters moving forward.

Given the club's location close to the heart of the City of London, the competitive landscape around conferencing and events continues to be a challenging one. While business improved from 2021/22, there remains significant potential and room for growth in this area for the club.

In 2022/23, the Community Trust engaged with over 12,000 people of varying ages and backgrounds across its diverse range of programmes, which included several new initiatives.

Finance

The Company continues to be funded by its principal shareholder, Chestnut Hill Ventures LLC ("CHV") and by its directors. The existing facility is £20m (CHV Facility) with £10m outstanding at the year end. Additional funding requirements during the year have been met by CHV and certain directors subscribing for new ordinary shares of £10,000 each at par. During the year 1,692 ordinary shares were issued for cash raising £16.92m of funds for the Company.

The CHV Facility and the £525,000 2013 Unsecured Loan Notes (Loan Notes), held by directors and their associates, were repayable on 1 July 2023. CHV and the Loan Notes holders had agreed that no interest would accrue in respect of the CHV Facility and Loan Notes until 30 June 2023. By an agreement dated 30 June 2023, CHV extended the suspension of interest until 1 July 2024 (when interest will begin to accrue again unless CHV agrees otherwise). The other Loan Notes holders have agreed that no interest will accrue on the Loan Notes until the date on which the Company and CHV agree that interest will begin to accrue again in respect of the CHV Facility. The repayment date of the CHV Facility and other Loan Notes was also extended to 1 July 2025.

The directors are of the view that, together with the further arrangements referred to in note 1 to the financial statements, ongoing equity investment and extended loan facilities from CHV and the directors, provides the Company with sufficient access to working capital to fund the operations of the Company over the next few years.

Regeneration

The club's improved relations with Lewisham Council and Renewal, the property developer for the adjacent site, continued in 2022/23, during which more progressive talks were held with the Mayor, Damien Egan, and his senior planning officers.

These conversations were geared towards agreeing a new long-term lease of the land surrounding The Den, which would give the club development rights as part of plans designed to benefit the club, its supporters, the Council itself, and the local community generally.

By the close of the 2022/23 season, these negotiations were at an advanced stage, and it is hoped that during 2024 there will be landmark announcement in this regard after years of uncertainty and delay.

Training Ground

In October 2022, Sevenoaks Council's planning committee formally approved the club's plans for a new training ground on a 100-acre site in West Kingsdown, Kent. This new location is designed to bring together the first team and Academy, and their respective support and administration staff, rather than have them operate on separate sites as is currently the case. This brings about varying logistical challenges which a new location would serve to reduce.

During 2022/23, the club commenced comprehensive and lengthy cost analysis and tendering processes with a view to initiating work on the site as quickly and effectively as possible. Significant increases in costs of building materials and labour proved somewhat detrimental to the speed of this endeavour but the Board remain totally committed to opening the new site as speedily as is economically and operationally possible.

Community Trust

In line with approval of plans for a new training ground in West Kingsdown, the Millwall Community Trust began some initial phases of outreach work in the Sevenoaks area during 2022/23. This was of course in addition to its long established and lengthy list of programmes carried out across the London Boroughs of Lewisham and Southwark.

Strategic Report

Community Trust (continued)

The club's commitment to a thriving and ultimately successful Community Trust is reflected by having two of its directors and two members of senior management on the Board of Trustees. The strength and depth of the relationship is also demonstrated by financial support and by making club facilities, resources, and assets available for their benefit, including the arranging of first team player visits to different programmes across the season.

Principal risks and uncertainties

In common with many football clubs outside the Premier League, the main business risk is the maintenance of a positive cash flow, bearing in mind the uncertainty of turnover and the high cost of maintaining a playing squad on which the success of the Group's business is largely dependent. In order to achieve a positive cash flow there is the constant requirement to raise new finance and refinance existing facilities which, in turn, requires the continuing support of existing providers of those facilities.

A significant amount of the club's revenue is derived from ticket sales. Income generated from gate receipts is highly dependent on the level of attendance at matches. The COVID-19 pandemic highlighted the reliance of all football clubs on matchday revenue. This period in time also highlighted the resilience of the club to deal with and manage such extreme impacts on a critical revenue, although football without fans was not the same.

Some income streams of the club (such as television rights and related income) are dependent on third party contracts and arrangements to which the club is not a party and over which the club can exercise no or little influence.

As part of its normal activities, the club deals in the trading of player registrations and there is always a risk of significant and lasting injuries to players that may impair their values. Players aged 24 years or older are free to move between clubs once their contract has come to an end and directors monitor expiry dates carefully with a view to renewing contracts or realising value.

Relevant business risks are discussed during Board meetings so that, where a material exposure is identified, mitigating action can be taken.

Details of the Group's exposure to financial risks and the management procedures in place to mitigate these are set out in note 16 to these financial statements.

Post Balance Sheet Events

As noted elsewhere in the Directors report, in July 2023, the club Chairman, John Beryson, tragically passed away following a car accident. This has had a deep impact on everyone associated with the club.

Since June 2023, we have strengthened the team by adding a number of players, namely Nisbet, De Norre, Harding and Šarkić as permanent signings in the summer window, along with loans in of Norton-Cuffy, Longman and Campbell. The winter window saw an additional signing of Mayor, with further loans in of Tanganga and Obafemi. Players outward bound during the season include Evans, Burey, Vogslammer and Long.

Going concern

In assessing the appropriateness of the going concern assumption, the directors have produced detailed cash flow forecasts until 30 June 2025.

The directors have continued to undertake a range of measures to ensure a prudent running of the organisation. There is a £20m facility in place from CHV that was drawn to £10m as at the year end, which does not fall due for repayment until 1 July 2025. The directors believe this, in conjunction with the ongoing support of the Company's principal shareholder, provides sufficient working capital for the current needs of the Group and Company for the foreseeable future. However, forecasts prepared for and reviewed by the board demonstrate that in most reasonable scenarios additional shareholder funding will be required which is not yet guaranteed. As such, the directors have identified a material uncertainty that may cast significant doubt over the Company's and the Group's ability to continue as a going concern for the foreseeable future.

The club and directors strongly support the call by the Fan Led Review and the EFL for a redistribution of income from the Premier League providing it comes with enhanced regulation to help improve the sustainability of clubs and the ability of the regulator to directly deal with any systemic failings within the football pyramid. Regulation and redistribution must come as one.

On behalf of the Board



S. Kavanagh Director

Date 01 March 2024

Directors' Report

The directors present their report on the affairs of the Group, together with the accounts and independent auditor's report for the year ended 30 June 2023.

Directors

The directors, who served during the year and to the date of this report, are as follows:

John G Berylson (*Non-Executive Chairman*) – Resigned on passing 13 July 2023

James T Berylson (*Non-Executive*)

Peter Garston (*Non-Executive*)

Constantine Gontikas (*Non-Executive*)

Trevor Keyse (*Non-Executive*)

Demos Kouvaris (*Non-Executive*)

Matthew Sidman (*Non-Executive*)

Richard S Press (*Non-Executive*)

Stephen Kavanagh (*Executive*)

Statement of directors' responsibilities

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 Group financial statements in accordance with UK adopted International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively 'IFRSs') and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and Company and of the profit or loss of the Group 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;
- State whether the group financial statements have been prepared in accordance with IFRSs, subject to any material departures disclosed and explained in the financial statements;
- State whether the company financial statements have been prepared in accordance with UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- 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 requirements of 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.

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Financial risk management objectives and policies

Details of the Group's exposure to financial risks and the management procedures in place to mitigate these are set out in note 16 to these financial statements. Details of the use of financial instruments by the Company and its subsidiary undertakings are also contained in this note.

Political and charitable donations

During the year, the Group made a contribution to a charity of £Nil (2022: £Nil). Refer to page 6 for community activities. The Group made no political donations.

Market value of land and buildings

Given the specialised nature of the Group's property interests, the directors do not consider that there is a readily ascertainable market value for the Group's properties, which are carried in the accounts at cost less depreciation.

Payment of creditors

The Group's and Company's policy is to settle agreed amounts outstanding to creditors within sixty days. This policy is made known to staff who handle payments to suppliers and is made known to suppliers on request. The Company had trade creditors at 30 June 2023 totalling £nil (2022: £nil). The Group's trade creditors at 30 June 2023 represented 50 days' purchases (2022: 76 days).

Employee involvement

The Group operates employment policies, which place emphasis upon employee involvement where possible. The Group practices equality of employment opportunity irrespective of sex, race, colour, marital status or ethnic or national origins. It is the Group's policy to offer equal opportunity to disabled persons wherever appropriate, having regard to their aptitudes and abilities.

Directors' Report

Other disclosures

Disclosure of exposure to financial risks, post balance sheet events and future developments are included in the Strategic Report on pages 4 to 6.

Auditors

All the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Board



S Kavanagh Director

Date: 01 March 2024

Independent Auditor's Report

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Millwall Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Finance Position, the Consolidated Statement of Cash Flows, the Company Balance Sheet, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements 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).

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

Independence

We are independent of the Group and the Parent 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.

Material uncertainty relating to going concern

We draw attention to note 1 to the Group and Parent Company's financial statements which describes how the ability of the Group and Parent Company to continue as a going concern is dependent on additional funding from the shareholder that is not guaranteed. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

In the light of the knowledge and understanding of the Group and the Parent 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.

Independent Auditor's Report

Other Companies Act 2006 reporting (continued)

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Statement of Directors Responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud¹

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be applicable Accounting Standards and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be applicable employment law, data protection and health and safety legislation, the Bribery Act 2010, as well as compliance with the English Football League rules.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations, and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's and Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, improper revenue recognition and management bias in accounting estimates.

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Discussion held with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Testing journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation as appropriate;
- Testing a sample of contracted revenues to supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular those relating to the carrying value of player registrations including discounting of payables and receivables and potential impairments, and
- Assessing significant estimates made by management for bias, in particular relation to impairment of intangible assets and the recoverability of financial assets.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Use of our report

This report is made solely to the Parent Company's members, as a body, 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 Parent Company's members those matters we are required to state to them 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ian Clayden

E25A0E124BD44AA...

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

01 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2023

	Note	2023 £000	2022 £000
Revenue	2	19,358	18,593
Other operating income	4	189	1,327
Profit/(Loss) on disposal of players' registrations	4	2,512	(106)
Staff costs	5	(22,583)	(22,316)
Amortisation of players' registrations	8	(2,114)	(1,771)
Depreciation of property, plant and equipment	9	(795)	(854)
Total depreciation and amortisation expense		(2,909)	(2,625)
Other expenses		(7,759)	(6,618)
Loss from operations	4	(11,192)	(11,745)
Finance expense	3	(1,020)	(852)
Loss before taxation		(12,212)	(12,597)
Tax credit	7	-	-
Loss after tax for the financial year and total comprehensive loss		(12,212)	(12,597)

All amounts relate to continuing activities.

The accompanying notes on pages 16-32 form an integral part of this Consolidated Statement of Comprehensive Income.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Ordinary shares of £10 each £000	Deferred shares of 0.09p each £000	Share premium account £000	B ordinary shares of £1 each £000	Ordinary shares of £10,000 each £000	Capital reserve £000	Retained deficit £000	Total equity £000
1 July 2021	13,905	2,333	23,152	47,700		20,741	(113,936)	(6,105)
B ordinary shares issued in year	-	-	-	13,050	-	-	-	13,050
Gain on shareholder loan modification (note 16)	-	-	-	-	-	-	523	523
Loss for the year	-	-	-	-	-	-	(12,597)	(12,597)
30 June 2022	13,905	2,333	23,152	60,750	-	20,741	(126,010)	(5,129)
1 July 2022	13,905	2,333	23,152	60,750	-	20,741	(126,010)	(5,129)
Consolidation of 1,000 ordinary shares of £10 each and 10,000 B Ordinary shares of £1 each to 1 New Ordinary Share of £10,000 each	(13,905)	-	-	(60,750)	74,660	-	-	5
Elimination of Deferred shares of £0.09 each	-	(2,333)	-	-	-	2,333	-	-
Ordinary shares of £10,000 each issued during the period	-	-	-	-	16,920	-	-	16,920
Gain on shareholder loan modification (note 16)	-	-	-	-	-	-	586	586
Loss for the year	-	-	-	-	-	-	(12,212)	(12,212)
30 June 2023	-	-	23,152	-	91,580	23,074	(137,636)	170

The accompanying notes on pages 16-32 form an integral part of this Consolidated Statement of Changes in Equity.

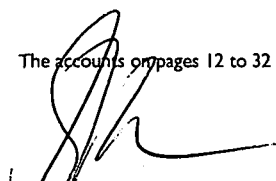
Consolidated Statement of Financial Position

at 30 June 2023

Company number: 2355508

	Notes	2023 £000	2022 £000
Non-current assets			
Intangible assets	8	4,000	2,125
Property, plant and equipment	9	17,427	17,586
		<u>21,427</u>	<u>19,711</u>
Current assets			
Inventories	10	67	47
Trade and other receivables: amounts falling due within one year	11	4,195	1,817
Cash and cash equivalents		283	158
		<u>4,545</u>	<u>2,022</u>
Total assets		<u>25,972</u>	<u>21,733</u>
Non-current liabilities			
Trade and other payables	12	(2,249)	(5,918)
Financial liabilities	13	(9,667)	(9,706)
Deferred income	12	(1,537)	(1,680)
		<u>(13,453)</u>	<u>(17,304)</u>
Current liabilities			
Trade and other payables	12	(9,473)	(7,110)
Deferred income	12	(2,876)	(2,448)
		<u>(12,349)</u>	<u>(9,558)</u>
Total liabilities		<u>(25,802)</u>	<u>(26,862)</u>
Net assets/(liabilities)		<u>170</u>	<u>(5,129)</u>
Equity			
Called up share capital	14,19	91,580	76,988
Share premium	19	23,152	23,152
Capital reserve	19	23,074	20,741
Retained deficit	19	(137,636)	(126,010)
Total equity attributable to the shareholders of the parent		<u>170</u>	<u>(5,129)</u>

The accounts on pages 12 to 32 were approved by the Board of Directors and authorised for issue on 01 March 2024


S. Kavanagh
Director

The accompanying notes on pages 16-32 form an integral part of this Consolidated Statement of Financial Position.

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Loss before taxation	(12,212)	(12,597)
Depreciation on property, plant and equipment	975	854
Amortisation of intangible assets	2,114	1,771
Amortisation of grants	(81)	(81)
Amortisation of training ground creditor	(63)	(63)
(Profit)/Loss on disposal of players' registrations	(2,512)	106
Finance expense	1,020	852
Cash flows from operating activities before changes in working capital	(10,759)	(9,158)
(Increase)/Decrease in inventory	(20)	33
(Increase)/Decrease in trade and other receivables	(564)	278
Increase/(Decrease) in trade and other payables and deferred income	(138)	(473)
Net cash flow from operating activities	(11,481)	(9,320)
Investing activities		
Purchase of property, plant and equipment	(636)	(1,547)
Proceeds on disposal of players' registrations	698	(121)
Purchase of players' registrations	(2,404)	(1,538)
Net cash flow from investing activities	(2,342)	(2,964)
Financing activities		
Loan receipt from EFL	-	1,041
Repayment of loan from EFL	(2,972)	(2,972)
Loans received and exchanged for shares	16,920	13,050
Net cash flow from financing activities	13,948	11,119
Net movement in cash and cash equivalents	125	(1,165)
Cash and cash equivalents at start of year	158	1,323
Cash and cash equivalents at end of year	283	158

The accompanying notes on pages 16-32 form an integral part of this Consolidated Statement of Cash Flows.

Notes to the Accounts

for the year ended 30 June 2023

I Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with UK adopted International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively "IFRSs") and in accordance with those parts of the Companies Act 2006 that remain applicable to groups reporting under IFRS.

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared under the historical cost basis.

Going concern

In assessing the appropriateness of the going concern assumption, the directors have produced detailed cash flow forecasts until 30 June 2025.

The directors have continued to undertake a range of measures to ensure a prudent running of the organisation. There is a £20m facility in place from CHV that was drawn to £10m as at the year end, which does not fall due for repayment until 1 July 2025. The directors believe this, in conjunction with the ongoing support of the Company's principal shareholder, provides sufficient working capital for the current needs of the Group and Company for the foreseeable future.

The club and directors strongly support the call by the fan led review and the EFL for a redistribution of income from the Premier League providing it comes with enhanced regulation to help improve the sustainability of clubs and the ability of the regulator to directly deal with any systemic failings within the football pyramid. Regulation and redistribution must come as one.

At 30 June 2023, the Group had net assets of £0.2 million and net current liabilities of £7.8 million.

The directors continually monitor the financial position of the Company and Group and have prepared the financial statements on a going concern basis, having had regard to:

- cash flow projections prepared to 30 June 2024, and expected cash flow forecasts for the year thereafter i.e. 30 June 2025, including the effect of player trading; and

- the continuing provision of facilities to the Group from Chestnut Hill Ventures LLC ("CHV"). The repayment date on the existing £10 million loan facility was extended during the year to 1 July 2025, with interest accruing only from 1 July 2024. CHV has also undertaken to provide the Group with further support, if necessary, for at least the next 12 months, as it has done during the current and previous financial years.

Forecasts prepared for and reviewed by the board demonstrate that in most reasonable scenarios additional shareholder funding will be required which is not yet guaranteed. As such, the directors have identified a material uncertainty that may cast significant doubt over the Company's and the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

While there will always remain inherent uncertainty, the directors remain confident that they will be able to manage the Group's and Company's finances and operations so as to achieve the forecasted cash flows and, with the continued support of CHV, consider that it is appropriate to draw up the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

Adoption of standards not yet effective

No standards have been adopted mandatorily for the first time, or adopted early, by the Group.

New and amended standards and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB.

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 July 2022:

- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent
- Annual Improvements to IFRS 9 Financial Instruments
- Annual Improvements to Illustrative Examples accompanying IFRS 16 Leases.

The adoption of these amendments has had no material effect on the Group's Consolidated financial statements.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

Notes to the Accounts

for the year ended 30 June 2023 (continued)

I Accounting policies (continued)

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries, The Millwall Football and Athletic Company (1985) PLC and Millwall Properties Limited). Control is achieved where the following three elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. The consolidated financial statements present the financial results of the Company and its subsidiaries (the Group) as if they formed a single entity.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate, using the purchase method.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Players' registrations

The costs associated with the acquisition of players' registrations are initially recorded at fair value of the consideration payable at the date of acquisition as intangible fixed assets. These costs are fully amortised over the period of the respective players' contracts.

For the purposes of impairment reviews, acquired players' registrations are classified within the single football club cash-generating unit until the point at which it is made clear that the player is no longer an active member of the playing squad which is typically because either the player is out of favour with the team management or the player is permanently injured. In these circumstances the carrying value of the player's registration is reviewed against a measurable net realisable value.

Acquired players' registrations are classified as "Assets held for sale" on the statement of financial position if, at any time, it is considered that the carrying amount of a registration will be recovered principally through sale and an active programme is in place to sell the player. The measurement of the registration is the lower of (a) fair value (less costs to sell) and (b) carrying value. In a situation where a player is permanently injured, fair value is considered to be the expected insurance recovery amount. Amortisation of the asset is suspended at the time of reclassification, although impairment charges are made if applicable.

Signing on fees

Signing on fees are charged, on a straight line basis, to the statement of comprehensive income over the period of the player's contract. Prepayments/accruals arising at each period end are included within prepayments and accrued income or accruals within current assets or current liabilities, as appropriate. Where a player's registration is transferred, any signing on fee payable in respect of future periods are charged against the profit/(loss) on disposal of players' registrations in the period in which the disposal is recognised.

Transfer fees

Transfer fees receivable are recognised in the period in which the registration is transferred and any profit or loss arising is dealt with in the statement of comprehensive income. Contingent transfer fees receivable are recognised once the contingent conditions become probable which is usually when they have been met.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on a straight line basis, as follows:

Long leasehold premises	– 1% per annum
Fixtures and fittings	– 10%-33% per annum
Pitch renovation	– over the next season
Motor vehicles	– 25% per annum
Leasehold Improvement	– over the life of the lease

Residual value is initially calculated on prices prevailing at the date of acquisition. Residual value is reviewed in each financial period and any changes to initial estimates are reflected in the period of change.

When a significant part of property, plant and equipment is required to be replaced at intervals, the group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to sell. Provision is made for obsolete, slow moving or defective items where appropriate.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

I Accounting policies (continued)

Impairment of non-financial assets (excluding inventories)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in the other expenses line item in the consolidated statement of comprehensive income.

Taxation

Corporation tax payable is provided on taxable profits at the rates that are enacted or substantively enacted at the reporting date.

Deferred taxation

Deferred tax is calculated using the balance sheet asset-liability method of tax allocation for all temporary differences arising between the book value of assets and liabilities and their tax bases, except for differences arising on:

- the initial recognition of goodwill,
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that there will be future taxable profits on which this asset can be charged. Deferred income tax assets are reduced to the extent that it is no longer likely that a sufficient taxable benefit will arise.

Deferred taxation balances are calculated at rates either enacted or substantively enacted at the balance sheet date and are shown on the balance sheet separately from current tax assets and liabilities and categorised among non-current items.

Deferred tax assets and liabilities are offset when the Group 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 on either the same taxable group company or different group entities which intend to either settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Pension costs and other post retirement benefits

For defined contribution schemes the amount charged to profit and loss in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Where the Group participates in a defined benefit plan, which is a multi-employer plan that is accounted for as if the plan were a defined contribution plan, and the Group has entered into an agreement with the multi-employer plan that determines how the Group will fund a deficit, the Group recognises a liability for the contributions payable that arise from the agreement and a resulting expense in the statement of comprehensive income.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. The Group holds the following financial assets and liabilities:

Financial assets

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value and then subsequently carried at amortised cost using the effective rate method.

Financial liabilities

Other financial liabilities: Other financial liabilities include the following items - Trade payables and other short-term monetary liabilities, which are initially recognised at fair value; Loan note borrowings which are initially recognised at fair value being the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premia payable on redemption, as well as any interest payable while the liability is outstanding.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits all with maturities of three months or less from inception, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

I Accounting policies (continued)

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and under the effective interest method.

Leased assets

Finance leases are those which transfer substantially all of the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised as property, plant and equipment and are depreciated over the shorter of the lease term or their useful economic life. The capital elements of future lease obligations are included within borrowings, while the interest elements are charged to the statement of comprehensive income over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

All other leases are operating leases, the rentals on which are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Trade and other payables and receivables

Trade and other payables and receivables on normal terms are stated at their nominal value, less, in the case of receivables, any impairment losses that may be required.

Other payables, on deferred terms, in particular the purchase of players' registrations, are recorded at their fair value on the date of the transaction and subsequently at amortised cost.

Other receivables on deferred terms, in particular the proceeds from sales of players' registrations, are recorded at their fair value at the date of sale and subsequently at amortised cost less allowances for impairment.

Revenue recognition

Revenue represents income receivable from the Group's principal activities excluding transfer fees and value added tax. Revenue is recognised at the fair value of the consideration receivable. Revenue is split between three categories of income stream; Match Day, Central League Awards and Commercial.

Match Day

Match Day revenue represents income receivable from all match day activities from Millwall games at The Den, together with the share of gate receipts from cup games not played at The Den. The share of gate receipts payable to the other participating club for domestic cup matches played at The Den is treated as a reduction in revenue. Season ticket revenue is recognised over the period of the football season as home matches are played.

Central League Awards

Central League Award revenue comprises the Basic Award and the Solidarity Award from the Football League, along with grant income for the academy and prize money earned from cup competitions. Awards are recognised over the financial period to which they relate.

Commercial

Commercial revenue comprises income receivable through sponsorship, shop revenue, use of the conference and catering facilities at The Den on non-match days and sundry other income. Sponsorship contracts are recognised over the duration of the contract, either on a straight line basis, or over the period of the football season, as appropriate based on the terms of the contract. Catering revenues are recognised on an earned basis. Revenue from sale of branded products is recognised at the point of dispatch when significant risks and rewards of ownership are deemed to have been transferred to the buyer.

Deferred income

All income received in advance of football activities, such as season ticket revenue, league awards, advertising, sponsorship and broadcasting revenues are treated as deferred income and released to income over the period or number of matches to which they relate.

Grants

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ("Furlough").

Notes to the Accounts

for the year ended 30 June 2023 (continued)

2 Segmental analysis

The Group has one main operating segment in the current and preceding year, that of professional football operations. As a result, no additional operating segment information is required to be provided. It operates in one geographical segment, the United Kingdom. Chief operating decisions are made primarily by the Board of Directors.

The analysis of group revenue is as follows:

	2023 £000	2022 £000
Match Day	6,169	5,786
Central League Awards	10,229	9,142
Commercial	2,960	3,665
	<u>19,358</u>	<u>18,593</u>

3 Finance expense

	2023 £000	2022 £000
Finance expense		
Interest expenses on unwinding of discount	(730)	(562)
Finance lease interest	(290)	(290)
	<u>(1,020)</u>	<u>(852)</u>

4 Loss from operations

Loss from operations is stated after charging/(crediting):

	2023 £000	2022 £000
Depreciation and amounts written off property, plant and equipment		
– owned	795	854
Amortisation of grant	(81)	(81)
Amortisation of proceeds on sale of training ground	(63)	(63)
Amortisation of player registrations	2,114	1,771
Auditors' remuneration		
– Audit of company financial statements	10	9
– Audit of financial statements of subsidiaries	74	48
– Taxation services	-	-
– Other services	10	10
(Profit)/loss on sale of players' registrations	(2,512)	106
Staff Furlough Income	-	(37)
	<u></u>	<u></u>

Other operating income comprises loan fee income of £86,000 (2022: £340,000), staff furlough income of £Nil (2022: £37,000), and other claims and settlement incomes received by the club not considered to be revenue of £103,000 (2022 £950,000).

Notes to the Accounts

for the year ended 30 June 2023 (continued)

5 Staff costs

The average monthly number of employees in the Group (including executive directors) was:

	2023 Number	2022 Number
Football team management	46	38
Administrative and ground staff	49	50
Players (including Academy)	61	67
	<u>156</u>	<u>155</u>

In addition, the Group employs, on average, a further 128 (2022: 54) temporary staff on matchdays.

Aggregate remuneration comprised:

	2023 £000	2022 £000
Wages and salaries	19,977	19,828
Social security costs	2,367	2,289
Pension costs	239	199
	<u>22,583</u>	<u>22,316</u>

6 Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments (including benefits in kind)	434	404
Pension costs	12	12
	<u>446</u>	<u>416</u>

Payments to money purchase pension schemes were made in respect of one director (2022: one). The remuneration of the highest paid director was £446,000 (2022: £416,000) including £12,000 (2022: £12,000) of pension contributions.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

7 Tax expense

No taxation charge arises in either the current or prior year due to the incidence of losses incurred.

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to the result before tax. The differences are explained below:

	2023 £000	2022 £000
Loss on ordinary activities before tax	(12,212)	(12,597)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.5% (2022: 19%)	(2,503)	(2,393)
Effects of:		
Expenses and income not deductible for tax purposes	346	159
Depreciation in excess of capital allowance	-	-
Adjustment to tax charge in respect of previous period	-	-
Unutilised losses carried forward	2,157	2,234
Total tax charge for the year	-	-

Deferred tax

At 30 June 2023 the Group had estimated tax losses carried forward of £122.3m (2022: £112.2m), subject to the agreement of HM Revenue and Customs. After assessing the prospects for the 2024 financial year the Board has decided to not recognise any deferred tax asset as it is prudent to estimate that no losses will be utilised in that period. The amount of the unprovided deferred tax asset at a future UK tax rate of 25% (2022: 25%) is calculated at £30.8m (2022: £28.0m).

At 30 June 2023 the Group had £6.7m (2022: £8.7m) of unclaimed capital allowances. These have not been recognised as the Board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £1.7m (2022: £2.0m).

At 30 June 2023 the Group had capital losses carried forward of £4.7m (2022: £4.7m). These have not been recognised as the Board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £1.2m (2022: £1.2m).

Factors affecting future tax charge

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 30 June 2023.

It was announced on 3 March 2021 that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate remains at 19% and for profits over £250,000, the corporation tax rate is now 25%. Marginal relief provisions are in place for profits between the lower and upper limits.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

8 Intangible assets

	Players' registrations £000
Cost	
1 July 2021	7,500
Additions	1,788
Disposals	(1,606)
30 June 2022	7,682
Additions	3,989
Disposals	(1,946)
30 June 2023	9,725
Amortisation	
1 July 2021	5,171
Charge for the year	1,771
Disposals	(1,385)
30 June 2022	5,557
Charge for the year	2,114
Disposals	(1,946)
30 June 2023	5,725
Net book value	
30 June 2022	2,125
30 June 2023	4,000

Included in the net book value of players' registrations are 19 (2022: 27) registrations at a net book value at 30 June 2023 of £4,000,000 (2022: £2,125,000). The remaining useful life of these registrations is up to 3 years.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

9 Property, plant and equipment

	Long leasehold premises £000	Assets in the course of construction £000	Right of use asset £000	Fixtures and fittings £000	Leasehold improvements £000	Motor vehicles £000	Total £000
Cost							
1 July 2021	18,694	-	2,421	5,645	319	42	27,121
Additions	11	1,422	-	137	-	-	1,570
30 June 2022	18,705	1,422	2,421	5,782	319	42	28,691
Additions	1	372	-	263	-	-	636
30 June 2023	18,706	1,794	2,421	6,045	319	42	29,327
Accumulated depreciation							
1 July 2021	4,958	-	591	4,520	140	42	10,251
Charge for the year	294	-	295	228	37	-	854
30 June 2022	5,252	-	886	4,748	177	42	11,105
Charge for the year	284	-	295	179	37	-	795
30 June 2023	5,536	-	1,181	4,927	214	42	11,900
Net book value							
30 June 2022	13,453	1,422	1,535	1,034	142	-	17,586
30 June 2023	13,170	1,794	1,240	1,118	105	-	17,427

Included in amounts classified as long leasehold premises are the costs associated with the building of a football stadium at The Den.

The net carrying value of assets held under finance leases is £183,031 (2022: £219,573).

10 Inventories

	2023 £000	2022 £000
Goods for resale	67	47

11 Trade and other receivables

	2023 £000	2022 £000
<i>Amounts falling due within one year:</i>		
Trade receivables	1,780	1,190
Transfer fees receivable	1,944	130
Other debtors	62	50
Prepayments and accrued income	409	447
	4,195	1,817

Notes to the Accounts

for the year ended 30 June 2023 (continued)

11 Trade and other receivables (continued)

In the directors' opinion the carrying value of trade and other receivables are stated at their fair value, after deduction of appropriate allowances for irrecoverable amounts, as these assets are not interest bearing and receipts occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other receivables that are neither past due nor impaired are considered recoverable.

At 30 June 2023 trade receivables of £1,621,730 (2022: £752,040) were past due against which a doubtful debtor's provision of £763,000 (2022: £254,821) has been recorded. The remaining balances relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2023 £'000	2022 £'000
3 to 6 months	1,023	332
	<u>1,023</u>	<u>332</u>

12 Trade and other payables

	2023 £000	2022 £000
<i>Current</i>		
Trade and other payables	3,613	1,778
Other loan payable	2,971	2,973
Taxation and social security	1,615	1,141
Accruals	1,274	1,218
	<u>9,473</u>	<u>7,110</u>
Deferred income	2,876	2,448
	<u>12,349</u>	<u>9,558</u>
<i>Non-current</i>		
Trade and other payables	-	458
Other loan payable	-	2,970
Long Term Lease Liability	2,136	2,215
Accruals	113	275
	<u>2,249</u>	<u>5,918</u>
Deferred income	1,537	1,680
	<u>3,786</u>	<u>7,598</u>

The amount due to the parent company is unsecured, interest free and repayable on demand.

Included within deferred income is:

- an amount of £2,876,000 (2022: £2,305,000) relating to amounts received in advance in respect of season tickets, league awards, executive boxes, memberships, advertising and sponsorship relating to the following year.
- unamortised grants totalling £1,555,000 (2022: £1,636,000) received in respect of the long leasehold premises and other fixtures and fittings, of which £81,000 is current.
- unamortised proceeds of £125,000 (2022: £187,000) from the sale of the Training Ground in excess of market value, of which £62,000 is current, which are being amortised on a straight-line basis over 20 years to 2025.

In the directors' opinion the carrying values of trade and other payables are stated at their fair value as they are not interest bearing and payments occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other payables are considered to be payable within 50 days, with the exception of those described as non-current which are payable in more than one year. The fair values of these non-current payables are not considered to be materially different from their carrying values.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

13 Financial liabilities

	2023 £000	2022 £000
<i>Non-current:</i>		
Non-convertible loan notes	9,441	9,480
Interest accrued on loan notes	226	226
	<u>9,667</u>	<u>9,706</u>

All financial liabilities are classified as financial liabilities at amortised cost.

The loan notes have a nominal value of £10,525,000 but, following a substantial modification to their terms in June 2023, were re-recognised at their fair value of £9,441,000. This discount to nominal value will be charged to profit and loss as a finance cost over the facility term. £Nil of such discount has unwound since the June 2023 modification.

£10,000,000 of the loan notes are secured by a fixed and floating charge over the current and future assets of the Group. The remaining £525,000 of loan notes are unsecured.

Further details in respect of the loan note instruments are provided in note 16.

At 30 June 2023 loan note liabilities were due as follows:

	2023 £000	2022 £000
Amount payable		
– after one year but within two years	-	-
– after two years but within five years	9,667	9,706
	<u>9,667</u>	<u>9,706</u>

In June 2023 the repayment date for all loan notes was further extended to 1 July 2024. On 2 June 2023 the repayment date for all loan notes was further extended to 1 July 2025.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

14 Share capital

	2023 Number	2022 Number
Allotted, called up and fully paid		
Ordinary shares of £10 each	-	1,390,523
B ordinary shares of £1 each	-	60,750,000
Deferred shares of 0.09p each	-	2,592,087,167
Ordinary shares of £10,000 each	9,158	-
	9,158	2,654,227,690
	£000	£000
Allotted, called up and fully paid		
Ordinary shares of £10 each	-	13,905
B ordinary shares of £1 each	-	60,750
Deferred shares of 0.09p each	-	2,333
Ordinary shares of £10,000 each	91,580	-
	91,580	76,988

Ordinary shares of £10,000 each

During the year the shareholders of the Company approved a consolidation of every 1,000 Ordinary share of £10 each and every 10,000 B Ordinary shares of £1 each into one new Ordinary share of £10,000 each.

During the year the Company issued 1,692 new Ordinary shares of £10,000 each, at par, for cash or conversion of related party payables.

B ordinary shares

The B ordinary shares were non-voting and carry no entitlement to receive any dividends, but rank above the ordinary and deferred shares on a return of assets on liquidation. They are also redeemable at the option of the Company.

Deferred shares

During the period the shareholders of the Company approved a buy back of the 2,592,087,167 Deferred shares of £0.09p each for a total consideration of £0.01. At this point all shares were cancelled, with the balance transferred to the capital reserve.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

15 Financial commitments and contingent assets/liabilities

a) Non-cancellable operating leases

The total value of minimum lease payments are due as follows:-

Commitments under non-cancellable operating leases are as follows:

	Land and Buildings	Other leases	Total	Land and Buildings	Other leases	Total
	2023	2023	2023	2022	2022	2022
	£000	£000	£000	£000	£000	£000
Minimum lease payments due:						
Within one year	368	48	416	368	48	416
In two to five years	776	47	823	1,094	48	1,143
After five years	1,264	-	1,264	1,314	-	1,315
	2,408	95	2,503	2,776	96	2,874

b) Pensions

The Club 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 Club 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 Club is making scheme funding payments based on the actuarial valuation carried out on 31 August 2018. The key assumptions used to calculate the deficit at the 31 August 2018 actuarial valuation were:

Discount Rate	3.6% p.a. until 2022, 2.5% p.a. for the following 10 years and 1.5% p.a. thereafter.
RPI inflation:	3.3% p.a.
Pension Increases:	3.7% p.a.
Mortality (pre-retirement):	None
Mortality (post-retirement):	SAPS S2PMA / S2PFA CMI_2016 1.5%

The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

The results of this actuarial valuation when the Club recognised its notional share of the deficit, calculated using the actuarial valuation assumptions, resulted in a liability of £364,632 (2022: £364,632). Since 2017 the club has been paying against this deficit in line with scheduled contributions. This resulted in a charge of £Nil (2022: £Nil) being made to profit and loss in the current year.

The Club currently has 1 employee who is a member of the scheme (2022: 1) and pays total contributions of £49,575 p.a. which increases at 5.0% p.a. Based on the actuarial valuation assumptions detailed above, these contributions will be sufficient to pay off the Club's share of the deficit by 31 May 2026.

Under the terms and conditions of the multi-employer plan the entity cannot be liable to the plan for other entities' obligations.

Certain other employees of the Group, except for football players who are responsible for their own pension arrangements, are eligible to be members of defined contribution schemes. The assets of any schemes are held in funds separate from the Group.

c) Transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be receivable/payable by the Group if conditions as to future team selection are met. The maximum that could be receivable is £1,045,000 (2022: £750,000). The maximum that could be payable is £3,480,000 (2022: £3,025,000). These amounts have not been provided for in the financial statements. These amounts do not include various payments or receipts that are determinable only on circumstances which are distant or outside the direct control of the parties to the contract and the player in question.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

16 Nature and extent of financial instruments

The Group's financial instruments include the following:

- trade and other receivables
- trade and other payables
- cash and cash equivalents
- accruals
- non-convertible loan notes

Categories of Financial Instruments

Classification of financial assets:		Classification of financial assets:	
Trade receivables	1,780	Trade receivables	1,780
Transfer fees receivable	1,944	Transfer fees receivable	1,944
Cash and cash equivalents	283	Cash and cash equivalents	158
Total financial assets classified as loans and receivables at amortised cost	4,007	Total financial assets classified as loans and receivables at amortised cost	1,478
Classification of financial liabilities:		Classification of financial liabilities:	
Trade and other payables	3,613	Trade and other payables	2,236
Other loans payable	2,971	Other loans payable	5,943
Accruals	1,387	Accruals	1,493
Amounts relating to non-convertible loan notes (including accrued interest on loan notes)	9,667	Amounts relating to non-convertible loan notes (including accrued interest on loan notes)	9,706
Total financial liabilities measured at amortised cost	17,638	Total financial liabilities measured at amortised cost	19,378

Financial Instruments – Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

The Group does not trade in financial instruments or carry out derivative transactions. There is no foreign currency exposure.

Credit risk

Maximum exposure to credit risk arises principally from the Group's trade and other receivables and cash at bank and cash equivalent.

It is the risk that the counterparty fails to discharge their obligations and could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

The Group manages this risk by using a reputable bank and requesting references from customers that are previously unknown to the Group.

The Group does not consider that it has any significant risk due to the profile of its customers.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group considers the interest rates available when deciding where to place cash balances. The Group has no material exposure to interest rate risk as cash is held only on short-term deposit and the interest on all borrowings is fixed over the facility term.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

16 Nature and extent of financial instruments (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and repayments of its liabilities. It is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

The Group's policy is to monitor and update cash flow forecasts on at least a weekly basis, to ensure that it will have sufficient cash available to it to allow it to meet its liabilities when they become due. Should a future cash shortfall be identified, the directors will explore the options available to the Group to raise the necessary funds. The Group had, at the year end, no undrawn loan facilities available but, as detailed in note 1, continues to receive financial support from its parent company.

The maturity analysis of financial liabilities is shown in note 13.

Interest bearing financial assets

Financial assets from time to time include sterling balances on deposit which may be withdrawn on demand. Interest is earned on cleared balances at market rate as and when monetary deposits are made. At 30 June 2023 the Group had no amounts (2022: £Nil) on deposit.

Non-convertible loan notes

Non-convertible loan notes at 30 June 2023 and 30 June 2022 comprised the following:

- A £525,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2024 to 30 June 2025 (2022: 1 July 2023 to 30 June 2024). This facility was fully drawn down at 30 June 2023 and 2022. It is available to the Company until 1 July 2025 following a term extension in the year.
- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2024 to 30 June 2025 (2022: 1 July 2023 to 30 June 2024). £10,000,000 of previously drawn amounts were converted to equity in the prior year. £10,000,000 of this facility was drawn down at 30 June 2023 and at 30 June 2022. It is available to the Company until 1 July 2025 following a term extension in the year.

At the option of the Company the interest on all non-convertible loan notes may be settled by the issue of PIK notes which have the same terms as the loan notes to which they relate and carry the same interest terms.

The £20,000,000 facility is provided by CHV, the Company's immediate controlling party. During the year, CHV agreed to suspend the payment of interest on the facility until 1 July 2024, with effect from 1 January 2015. Interest payable of £516,000 has been recognised in the current year to represent the effective interest accruing under the revised terms.

The £525,000 facility holders also agreed to suspend the payment of interest on the facility until 1 July 2023, with effect from 1 January 2015. Interest payable of £27,000 has been recognised in the current year to represent the effective interest accruing under the revised terms.

Fair values

The fair value of the financial assets and liabilities at 30 June 2023 and 30 June 2022 are not considered to be materially different from their book values, with the exception of the non-convertible loan notes which were deemed to have a fair value of £9,441,000 upon modification in June 2023. The £586,000 gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

Capital disclosures

The Group's key management personnel define capital as the Group's cash holding of £283,000 (2022: £158,000); loan notes and accrued interest of £9,667,000 (2022: £9,706,000); the working capital amount owed to the parent company of £Nil (2022: £Nil) and equity share capital and premium of £114,732,000 (2022: £100,140,000).

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure the Group may seek to sell assets or issue equity instruments to reduce debt.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

17 Related party transactions

James Berylson (formerly John Berylson now deceased) is the Chairman and Demos Kouvaris (Non-Executive Director) is the Chief Operating Officer and Chief Financial Officer of CHV, the Company's immediate controlling party. CHV has advanced the following lines of credit to the Company:

- A £20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2023 £10,000,000 (2022: £10,000,000) of this facility had drawn down.
- An interest free working capital facility which is repayable on demand. At 30 June 2023 £Nil (2022: £Nil) had been drawn down against this facility.

During the year, no interest (2022: £Nil) was charged under facilities provided by CHV since, as described in note 16, the charging of interest was suspended until 1 July 2023. However, an effective interest charge of £516,000 (2022: £505,460) has been recognised in profit and loss in the year in respect of this facility.

During the year ended 30 June 2012, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director) and J Press, spouse of R Press (Non-Executive Director), subscribed for £300,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2023, the balance drawn under this facility was £300,000 (2022: £300,000). During the year, no interest (2022: £Nil) accrued under these facilities since, as described in note 16, the charging of interest was suspended until 1 July 2023. Total accrued interest of £161,000 (2022: £161,000) remains unpaid at the balance sheet date. However, an effective interest charge of £15,400 (2022: £14,983) has been recognised in profit and loss in the year in respect of this facility.

During the year, Mr M Sidman, director, provided a loan to the company of £1,000,000 that was subsequently converted to equity.

During the year ended 30 June 2013, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), and J Press, spouse of R Press (Non-Executive Director), subscribed for £200,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2023, the balance drawn under this facility was £200,000 (2022: £200,000). During the year no interest (2022: £Nil) accrued under these facilities since, as described in note 16, the charging of interest was suspended until 1 July 2023. Total accrued interest of £65,000 (2022: £65,000) remains unpaid at the balance sheet date. However, an effective interest charge of £10,300 (2022: £9,988) has been recognised in profit and loss in the year in respect of this facility.

The Group's key management personnel are considered to be the Company's directors. Details of their remuneration are given in note 6.

18 Accounting estimates and judgements

Critical accounting judgements in applying the Group's policies

The preparation of financial statements under IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Certain critical accounting judgements made in applying the Group's accounting policies are described below:

Acquired players' registrations

In assessing whether the registration of any individual player requires reclassification to "Assets held for sale" and, if so, whether any impairment charge is required, the directors will apply the accounting policy detailed in note 1.

Useful lives of intangible assets

Intangible assets are amortised over the length of the players' contract which is deemed to be their useful lives and management's estimates as to their continuing usefulness to the football side.

Useful lives and residual values of property, plant and equipment

Property, plant and equipment are amortised or depreciated to their residual values over their useful lives. Useful lives are based on management estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness.

Fair value of loan note facilities

In assessing the fair value of loan note facilities on initial recognition, the directors determine the present value of the liability by discounting the total future cash flows using a market rate of interest.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

19 Reserves

Reserve	Description and purpose
Share capital	Amount subscribed for ordinary and deferred share capital at nominal value.
Share premium	Amount subscribed for ordinary and deferred share capital in excess of nominal value.
Equity proportion of convertible loan notes	The residual equity element of convertible loan note instruments after deducting all liability components.
Capital reserve	Amount arising on cancellation of deferred shares and share premiums in prior years.
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income plus any capital contributions received from shareholders.

20 Subsequent events

As noted elsewhere in the Directors report, in July 2023, the Club Chairman, John Berylson, tragically passed away following a car accident. This has had a deep impact on everyone associated with the Club.

Since June 2023, we have strengthened the team by adding a number of players, namely Nisbet, De Norre, Harding and Šarkić as permanent signings in the summer window, along with loans in of Norton-Cuffy, Longman and Campbell. The winter window saw an additional signing of Mayor, with further loans in of Tanganga and Obafemi. Players outward bound during the season include Evans, Burey, Vogslammer and Long.

21 Ultimate controlling party

Millwall Holdings Limited is under the control of Chestnut Hill Ventures LLC, a Company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by J Berylson and R A Smith, as Trustee of the Philip dec'd Will Trust.

Company Balance Sheet

as at 30 June 2023

Company number: 2355508

	Notes	2023 £000	2022 £000
Fixed assets			
Investments	v	9,985	4,720
		<u>9,985</u>	<u>4,720</u>
Creditors: Amounts falling due within one year	vii	(148)	(143)
Net current liabilities		<u>(148)</u>	<u>(143)</u>
Total assets less current liabilities		<u>9,837</u>	<u>4,577</u>
Creditors: Amounts falling due after more than one year	viii	(9,667)	(9,706)
Net assets/(liabilities)		<u>170</u>	<u>(5,129)</u>
Capital and reserves			
Called up share capital	ix	91,580	76,988
Share premium account		23,152	23,152
Capital reserve		23,016	20,683
Retained deficit		(137,578)	(125,952)
Shareholders' funds (in deficit)		<u>170</u>	<u>(5,129)</u>

The Company has taken advantage of the exemption in the Companies Act 2006 S408 not to present its own profit and loss account. A loss of £90,000 (2022: £7,000) of the consolidated loss for the year attributable to the shareholders of Millwall Holdings PLC has been dealt with in the accounts of the Company.

The accounts on pages 33 to 39 were approved by the Board of Directors and authorised for issue on 01 March 2024


S Kavanagh
Director

The accompanying notes form an integral part of this Balance Sheet.

Company Statement of Changes in Equity

for the year ended 30 June 2023

	Ordinary shares of £10 each £000	Deferred shares of 0.09p each £000	Share premium account £000	Ordinary shares of £10,000 each £000	B ordinary shares of £1 each £000	Capital reserve £000	Retained deficit £000	Total equity £000
1 July 2021	13,905	2,333	23,152	-	47,700	20,683	(113,878)	(6,105)
B ordinary shares issued in year	-	-	-	-	13,050	-	-	13,050
Gain on shareholder loan modification (note viii)	-	-	-	-	-	-	523	523
Loss for the year	-	-	-	-	-	-	(12,597)	(12,597)
30 June 2022	13,905	2,333	23,152	-	60,750	20,683	(125,952)	(5,129)
Consolidation of 1,000 ordinary shares of £10 each and 10,000 B Ordinary shares of £1 each to 1 New Ordinary Share of £10,000 each	(13,905)	-	-	74,660	(60,750)	-	-	5
Elimination of Deferred shares of £0.09 each	-	(2,333)	-	-	-	2,333	-	-
Ordinary shares of £10,000 each issued during the period	-	-	-	16,920	-	-	-	16,920
Gain on shareholder loan modification (note 16)	-	-	-	-	-	-	586	586
Loss for the year	-	-	-	-	-	-	(12,212)	(12,212)
30 June 2023	-	-	23,152	91,580	-	23,016	(137,578)	170

The accompanying notes on pages 35 to 39 form an integral part of this Statement of Changes in Equity.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

i Accounting policies

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards, specifically FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the exercise of judgement in applying the Company's accounting policies (see note ii).

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole.

The principal accounting policies are summarised below.

Going concern

In assessing the appropriateness of the going concern assumption, the directors have produced detailed cash flow forecasts until 30 June 2025.

The directors have continued to undertake a range of measures to ensure a prudent running of the organisation. There is a £20m facility in place from CHV that was drawn to £10m as at the year end, which does not fall due for repayment until 1 July 2025. The Directors believe this, in conjunction with the ongoing support of the Company's principal shareholder, provides sufficient working capital for the current needs of the Group and Company for the foreseeable future.

Furthermore during the season the UK Government issued their response to the fan led review of Football Governance which endorsed a number of measures including the establishment of an independent regulator for football as well as looking at the engagement with supporter groups through the establishment of a shadow board and a review of the uneven distribution system through the English football pyramid. As a Club the Directors support the recommendations made in the Government review, and are actively taking steps to adopt some of the measures recommended in advance of any structural change within the football environment.

The Club and Directors strongly support the call by the Fan Led Review and the EFL for a redistribution of income from the Premier League and are firmly of the belief any such redistribution must come with enhanced regulation to ensure such redistribution addresses the unsustainable activities of running and maintaining a club in the Championship. Regulation and redistribution must come as one.

At 30 June 2023, the Group had net assets of £0.2 million and net current liabilities of £7.8 million.

The directors continually monitor the financial position of the Company and Group and have prepared the financial statements on a going concern basis, having had regard to:

- cash flow projections prepared to 30 June 2024, and expected cash flow forecasts for the year thereafter i.e. 30 June 2025, including the effect of player trading; and

- the continuing provision of facilities to the Group from Chestnut Hill Ventures LLC ("CHV"). The repayment date on the existing £10 million loan facility was extended during the year to 1 July 2025, with interest accruing only from 1 July 2024. CHV has also undertaken to provide the Group with further support, if necessary, for at least the next 12 months, as it has done during the current and previous financial years.

Forecasts prepared for and reviewed by the board demonstrate that in most reasonable scenarios additional shareholder funding will be required which is not yet guaranteed. As such, the directors have identified a material uncertainty that may cast significant doubt over the Company's and the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

While there will always remain inherent uncertainty, the directors remain confident that they will be able to manage the Group's and Company's finances and operations so as to achieve the forecasted cash flows and, with the continued support of CHV, consider that it is appropriate to draw up the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

i Accounting policies (continued)

Taxation

Corporation tax payable is provided on taxable profits at the rates that are enacted or substantively enacted at the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Financial instruments

The Company has no financial instruments measured at fair value through profit and loss. All financial instruments are initially measured at transaction price and subsequently held at amortised cost (less any impairment, where relevant).

ii Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described on the previous page, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the key estimates relate to:

- The determination of the fair value of loan note facilities on initial recognition. In assessing this fair value the directors have calculated the present value of the liability by discounting the total future cash flows using a market rate of interest.
- The determination of the carrying value of the Company's investments in its subsidiary undertakings. The directors have recognised an impairment provision in the year amounting to £11,569,000 (2022: £11,966,000) which has been determined by reference to the underlying net asset value of each of the subsidiary undertaking

iii Employees

The average number of employees of the Company during the year, including directors, was 8 (2022: 8). There were no employment costs borne by the Company in the current or prior year.

iv Loss for the year

The Company's loss for the year is stated after charging:

	2023 £000	2022 £000
Auditors' remuneration for the audit of Company financial statements	10	9
Directors' emoluments – paid by subsidiaries	446	416

Notes to the Accounts

for the year ended 30 June 2023 (continued)

v Investments

	Shares in subsidiary undertakings £000	Loan to subsidiary undertakings £000	Total £000
<i>Cost</i>			
1 July 2022	400	125,707	126,107
Additions	-	16,834	16,834
30 June 2023	400	142,541	142,941
<i>Amounts provided for</i>			
1 July 2023	-	121,387	121,387
Provided in year	-	11,569	11,569
30 June 2023	-	132,956	132,956
<i>Net book value</i>			
30 June 2023	400	9,585	9,985
30 June 2022	400	4,320	4,720

At 30 June 2023, the Company's subsidiaries, which are incorporated, registered and operate in England and Wales, were The Millwall Football and Athletic Company (1985) PLC, a football club, and Millwall Properties Limited, a property development company. The Company owns 100% of the issued share capital and the voting rights of each of these companies.

All investments are unlisted. In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet, taking into account underlying goodwill and the value of players' registrations.

vi Debtors

	2023 £000	2022 £000
Prepayments and accrued income	-	-
	-	-

All amounts shown under debtors in respect of the current year fall due for payment within one year.

vii Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Accruals and deferred income	(148)	143
	(148)	143

viii Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Non-convertible loan notes	9,667	9,480
Interest accrued on loan notes	-	226
	9,667	9,706

All financial liabilities are classified as financial liabilities at amortised cost.

The loan notes have a nominal value of £10,525,000 but, following a substantial modification to their terms in June 2023, were re-recognised at their fair value of £9,441,000. This discount to nominal value will be charged to profit and loss as a finance cost over the facility term. £Nil of such discount has unwound since the June 2023 modification.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

viii Creditors: Amounts falling due after more than one year (continued)

£10,000,000 of the loan notes are secured by a fixed and floating charge over the current and future assets of the Group. The remaining £525,000 of loan notes are unsecured.

Non-convertible loan notes at 30 June 2023 and 30 June 2022 comprised the following:

- A £525,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2024 to 30 June 2025 (2022: 1 July 2023 to 30 June 2024). It is available to the Company until 1 July 2025 following a term extension in the year.
- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2024 to 30 June 2025 (2022: 1 July 2023 to 30 June 2024). It is available to the Company until 1 July 2025 following a term extension in the year.

At the option of the Company the interest on all non-convertible loan notes may be settled by the issue of PIK notes which have the same terms as the loan notes to which they relate and carry the same interest terms.

The £20,000,000 facility is provided by CHV, the Company's immediate controlling party. During the year, CHV agreed to suspend the payment of interest on the facility until 1 July 2023, with effect from 1 January 2015. Interest payable of £516,000 has been recognised in the current year to represent the effective interest accruing under the revised terms.

The £525,000 facility holders also agreed to suspend the payment of interest on the facility until 1 July 2023, with effect from 1 January 2015. Interest payable of £27,000 has been recognised in the current year to represent the effective interest accruing under the revised terms.

The fair value of the financial assets and liabilities at 30 June 2023 and 30 June 2022 are not considered to be materially different from their book values, with the exception of the non-convertible loan notes which were deemed to have a fair value of £9,441,000 upon modification in June 2022. The £586,000 gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

At 30 June 2023 loan note liabilities were due as follows:

	2023 £000	2022 £000
Amount payable		
– after one year but within two years	-	-
– after two years but within five years	9,667	9,706
	<u>9,667</u>	<u>9,706</u>

ix Share capital

	2023 Number	2022 Number
Allotted, called up and fully paid		
Ordinary shares of £10 each	-	1,390,523
B ordinary shares of £1 each	-	60,750,000
Deferred shares of 0.09p each	-	2,592,087,167
Ordinary shares of £10,000 each	9,158	
	<u>9,158</u>	<u>2,654,227,690</u>
	£000	£000
Allotted, called up and fully paid		
Ordinary shares of £10 each	-	13,905
B ordinary shares of £1 each	-	60,750
Deferred shares of 0.09p each	-	2,333
Ordinary shares of £10,000 each	91,580	-
	<u>91,580</u>	<u>76,988</u>

Ordinary shares of £10,000 each

During the year the shareholders of the Company approved a consolidation of every 1,000 Ordinary share of £10 each and every 10,000 B Ordinary shares of £1 each into one new Ordinary share of £10,000 each.

During the year the Company issued 1,692 new Ordinary shares of £10,000 each, at par, for cash or conversion of related party payables.

Notes to the Accounts

for the year ended 30 June 2023 (continued)

ix Share capital (continued)

B ordinary shares

The B ordinary shares were non-voting and carry no entitlement to receive any dividends, but rank above the ordinary and deferred shares on a return of assets on liquidation. They are also redeemable at the option of the Company.

Deferred shares

During the period the shareholders of the Company approved a buy back of the 2,592,087,167 Deferred shares of £0.09p each for a total consideration of £0.01. At this point all shares were cancelled, with the balance transferred to the capital reserve.

x Related party transactions

James Berylson (formerly John Berylson now deceased) is the Chairman and Demos Kouvaris (Non-Executive Director) is the Chief Operating Officer and Chief Financial Officer of CHV, the Company's immediate controlling party. CHV has advanced the following lines of credit to the Company:

- A £20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2023 £10,000,000 (2022: £10,000,000) of this facility had drawn down.
- An interest free working capital facility which is repayable on demand. At 30 June 2023 £Nil (2022: £Nil) had been drawn down against this facility.

During the year, no interest (2022: £Nil) was charged under facilities provided by CHV since, as described in note 16, the charging of interest was suspended until 1 July 2023. However, an effective interest charge of £516,000 (2022: £505,460) has been recognised in profit and loss in the year in respect of this facility.

During the year ended 30 June 2012, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director) and J Press, spouse of R Press (Non-Executive Director), subscribed for £300,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2023, the balance drawn under this facility was £300,000 (2022: £300,000). During the year, no interest (2022: £Nil) accrued under these facilities since, as described in note 16, the charging of interest was suspended until 1 July 2023. Total accrued interest of £161,000 (2022: £161,000) remains unpaid at the balance sheet date. However, an effective interest charge of £15,400 (2022: £14,983) has been recognised in profit and loss in the year in respect of this facility.

During the year, Mr M Sidman, director, provided a loan to the company of £1,000,000 that was subsequently converted to equity.

During the year ended 30 June 2013, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), and J Press, spouse of R Press (Non-Executive Director), subscribed for £200,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2023, the balance drawn under this facility was £200,000 (2022: £200,000). During the year no interest (2022: £Nil) accrued under these facilities since, as described in note 16, the charging of interest was suspended until 1 July 2023. Total accrued interest of £65,000 (2022: £65,000) remains unpaid at the balance sheet date. However, an effective interest charge of £10,300 (2022: £9,988) has been recognised in profit and loss in the year in respect of this facility.

The Group's key management personnel are considered to be the Company's directors. Details of their remuneration are given in note 6.

xi Subsequent events

As noted elsewhere in the Directors Report, in July 2023, the club Chairman, John Berylson, tragically passed away following a car accident. This has had a deep impact on everyone associated with the club.

Since June 2023, we have strengthened the team by adding a number of players, namely Nisbet, De Norre, Harding and Šarkić as permanent signings in the summer window, along with loans in of Norton-Cuffy, Longman and Campbell. The winter window saw an additional signing of Mayor, with further loans in of Tanganga and Obafemi. Players outward bound during the season include Evans, Burey, Vogslammer and Long.

xii Ultimate controlling party

Millwall Holdings Limited is under the control of Chestnut Hill Ventures LLC, a Company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by J Berylson and R A Smith, as Trustee of the Philip dec'd Will Trust.