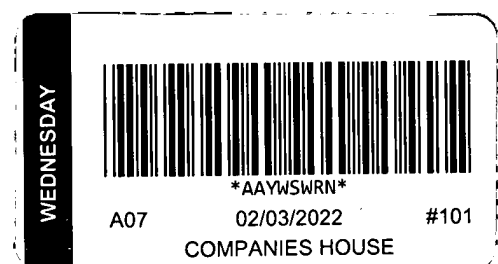


Company Registration No. 01630402 (England and Wales)

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021



NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors Mr I Vrentzos
Mr N Randall Q.C. (Chairman)
Mr J Owen
Mr D Murphy (CEO) (Appointed 11 August 2021)

Company number 01630402

Registered office The City Ground
Pavilion Road
West Bridgford
Nottingham
United Kingdom
NG2 5FJ

Auditor Azets Audit Services
2 Regan Way
Chetwynd Business Park
Chilwell
Nottingham
United Kingdom
NG9 6RZ

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

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NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2021

The directors present the strategic report and financial statements for the period ended 30 June 2021.

Fair review of the business

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

Financial Performance

The reporting year 2020/2021 was unprecedented following the continued global challenges with Covid-19. With the season played behind closed doors, the club saw a significant decrease in the majority of the club's revenue streams which resulted in the club's reported turnover for 2020/2021 being £18.4m (2020: £25.3m). The decrease of £6.9m all relates to the pandemic following major losses in ticketing and catering income. The decrease would have been much greater if it wasn't for the great support of the club sponsors, an area in which the club saw growth. It's also worth noting, even though it's not visible within the club's income statement, that the fantastic supporter base supported the club, by deferring 2020/2021 season card revenue into 2021/2022. The club will be forever thankful for this support.

Cost of sales reduced to £7.4m (2020: £8.1m).

Administrative expenses have reduced to £46.8m (2020: £49.4m), it's worth noting that the current reporting period is a 13-month period compared against a 12-month period. Match day costs reduced due to games being played behind closed doors, there was also a reduction on employment costs.

The operating loss for the year was £34.4m (2020: £31.9m loss) reducing to a loss before tax of £15.5m (2020: £15.9m loss) after interest, profit on disposal of players and a historical loan write off.

During the financial year the ownership converted £12m from loans to equity.

The owners remain committed to the long-term future of the Club and its funding. The Board sees remaining within the discipline of the EFL's Profitability and Sustainability Rules to be a high priority which is even more challenging following the pandemic.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

Principal risks and uncertainties

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

- First team performance and the direct impact on league status, position, and revenue generation.
- Recruitment and retention of players and key staff.
- Supporter attendance levels at first team matches.
- Negotiation of key commercial contracts.
- Compliance with the rules and regulations of the applicable football governing bodies.
- Health & Safety considerations, including terrorism threats arising from operating a sporting venue.
- Cash management in line with available working capital.
- Ongoing Management of Covid-19 and associated elements.

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

Key performance indicators

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

Key Performance Indicator (KPI)	2021	2020	2019
League Position	17th	7th	9th
Turnover (£000)	18,408	25,297	25,345
Average match attendance (number) 1	0	21,696	28,144
Season ticket sold (number)	0	21,237	22,554

1 – All 23 home games were played behind closed doors due to Covid-19 pandemic. 2019/20 average attendance prior to lockdown was 27,723.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

Going concern

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

The Company meets its day to day working capital requirements via funding from the parent company and the ultimate beneficial owners. The parent company and its ultimate beneficial owners have indicated that they have no intention to recall the loan amounts for at least 12 months from the date of signing this report.

In assessing the appropriateness of the going concern assumption, the Directors have reviewed detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios and material uncertainties in relation to income and costs. Based on these cash flow forecasts the Club can meet its liabilities as they fall due and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis

First Team

Notwithstanding further strong investment in the first team squad, management, and operations the season was very disappointing. The first team ended the season in the lower half of the league table recording a 17th placing in the league which was on a par with the 17/18 season. The team struggled to get off to a positive start following the missed playoff opportunity in 19/20 and failed to recover. Although many factors contributed to this performance it is clear that the lack of supporters in the stadium had an impact. Steps have been taken to put in place structures and personnel to maximise the prospects of improvements in the first team moving forward and we are optimistic of greater success with the return of supporters in the stadium.

U23's and Academy

The club has continued to invest in the Academy structure. The progress in this area of the club remains highly satisfactory with the Academy achieving Category 1 status following their application in 19/20. Further enhancements to the coaching, education and welfare structure are active and ongoing into the 2021/22 season. The club is committed to improving the facilities available to the Academy and is seeking planning permission for the further development of the facilities at the Nigel Doughty Academy site.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

Impact of Covid-19

With government restrictions on sporting venues in place for the period, the club were forced to play the full season behind closed doors. Whilst highly sympathetic to all affected by the pandemic, this has had a major impact on the club. Along with the belief that this had a material impact on our sporting performance, there has been a very notable impact on the commercial performance of the club.

The Coronavirus Job Retention Scheme was utilised by the club to help protect many of the clubs' employees who were directly affected by the pandemic. This scheme has helped the club retain the levels of non-playing staff currently employed.

With the easing of restrictions on stadiums in the summer of 2021, most of the club's commercial revenue streams have rebounded well and back in line with previous year's numbers. The club remains cautious around the recovery from Covid with many unknowns still to play out.

Sponsorship

Despite the profound impact of Covid on commercial performance, the club was able to substantially grow Sponsorship income during the period. This included the onboarding of Boxt as our largest shorts sponsor and an enhanced renewal with Macron. The club would like to place on record their thanks to commercial partners for the ongoing support during the pandemic. Despite many key commercial rights like player access and hospitality proving hard to deliver, partner loyalty and support was very strong.

Stadium Redevelopment

Despite progress being severely hampered during Covid, the club continued to plan for redevelopment of the Peter Taylor Stand. Further cost has been incurred working with appointed advisors to prepare a solid and persuasive case for planners to approve the scheme. This has been a complex process because of the cross jurisdictional nature of the City Ground site coupled with the fact that the development is taking place in a residential area with the challenges this brings in the planning process. The Board maintains its view that the best option for the Club and its supporters was to remain at and develop the City Ground site rather than to move to an out of town venue which would have posed fewer planning challenges. The formal planning application was submitted on the 17 November 2021 and the club retains solid grounds for optimism that the local planners will approve the application in the near future.

Nottingham Forest Women's Football Club

The club continues to actively support and encourage the development of the Women's programme at the club. Covid continued to wreak havoc with the league campaign resulting in a curtailed season. However, the club has been able to attract new commercial partners to the programme during this period and remains committed to building a positive elite player environment with the aim of promotion to the Championship.

Community Activity

The club continues to invest in and work closely with the Nottingham Forest Community Trust as we continue with our objective of engaging with the communities in and around Nottingham. This has included fundraising for the NHS, delivering the 'Dream Big' schools initiative to more than 30,000 primary school children, the acclaimed 'tricky to talk' mental wellbeing project and many football participation programmes. In total the community trust has delivered more than 37,000 hours' worth of community support programmes. The club's relationship with the Trust has been maintained and strengthened with long term funding provided. This has been maintained during the pandemic notwithstanding the decline in club revenues.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

Supporter Relations

The club is committed to an ongoing dialogue and consultative process with its supporters. With more than 20,000 season card holders in the 2019-20 season, the club understands the importance and value of fans. The closed doors experience brought on by the current Covid pandemic has made this even more pronounced.

Across the season, the club hosted regular meetings with the elected representatives of the supporters trust in accordance with the formal agreement between the club and the trust. This is in accordance with best practice within the EFL supporter engagement framework. In addition to this the club has also had frequent dialogue with supporters' clubs and fan groups. Further focus groups and questionnaires were offered to supporters around many topics associated to the stadia redevelopment programme.

Section 172 Statement

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

On behalf of the board

.....
Mr N Randall Q.C. (Chairman)

Director

.....
28.2.2022

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the period ended 30 June 2021.

Principal activities

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

Results and dividends

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

The directors do not recommend payment of a final dividend.

Directors

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

Mr I Vrentzos

Mr N Randall Q.C. (Chairman)

Mr J Owen

Mr D Murphy (CEO)

(Appointed 11 August 2021)

Auditor

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

Statement of disclosure to auditor

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

On behalf of the board



.....

Mr N Randall Q.C. (Chairman)

Director

Date:28.2.2022.....

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2021

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

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

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

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Nottingham Forest Football Club Limited (the 'company') for the period ended 30 June 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

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

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

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

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

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

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

Use of our report

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to 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 company and the company's member for our audit work, for this report, or for the opinions we have formed.



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

Date: 28/2/2022

Chartered Accountants
Statutory Auditor

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2021

		13 Month period ended 30 June 2021 £000	12 Month period ended 31 May 2020 £000
	Notes		
Turnover	3	18,408	25,297
Cost of sales		(7,398)	(8,146)
Gross profit		11,010	17,151
Administrative expenses		(46,765)	(49,425)
Other operating income		1,325	391
Operating loss	6	(34,430)	(31,883)
Interest payable and similar expenses	8	(418)	(317)
Profit on disposal of player registrations	9	14,322	11,253
Loans written off	9	5,000	5,000
Loss before taxation		(15,526)	(15,947)
Tax on loss	10	-	-
Loss for the financial period		(15,526)	(15,947)

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2021

	13 Month period ended 30 June 2021 £000	12 Month period ended 31 May 2020 £000
Loss for the period	(15,526)	(15,947)
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(15,526)</u>	<u>(15,947)</u>

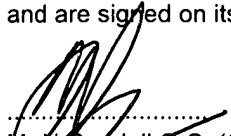
NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	12		16,969		18,614
Tangible assets	13		5,924		6,162
			<u>22,893</u>		<u>24,776</u>
Current assets					
Stocks	15	481		150	
Debtors	16	12,298		3,942	
Cash at bank and in hand		398		381	
			<u>13,177</u>	<u>4,473</u>	
Creditors: amounts falling due within one year	17	<u>(73,835)</u>		<u>(73,466)</u>	
Net current liabilities			<u>(60,658)</u>		<u>(68,993)</u>
Total assets less current liabilities			<u>(37,765)</u>		<u>(44,217)</u>
Creditors: amounts falling due after more than one year	19		<u>(10,778)</u>		<u>(800)</u>
Net liabilities			<u>(48,543)</u>		<u>(45,017)</u>
Capital and reserves					
Called up share capital	21		70,144		58,144
Share premium account			70,345		70,345
Capital redemption reserve			13,965		13,965
Profit and loss reserves			(202,997)		(187,471)
Total equity			<u>(48,543)</u>		<u>(45,017)</u>

The financial statements were approved by the board of directors and authorised for issue on ~~28.2.2022~~ and are signed on its behalf by:


 Mr N Randall O.C. (Chairman)
 Director

Company Registration No. 01630402

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 June 2019		37,344	70,345	13,965	(171,524)	(49,870)
Period ended 31 May 2020:						
Loss and total comprehensive income for the period		-	-	-	(15,947)	(15,947)
Issue of share capital	21	20,800	-	-	-	20,800
Balance at 31 May 2020		58,144	70,345	13,965	(187,471)	(45,017)
Period ended 30 June 2021:						
Loss and total comprehensive income for the period		-	-	-	(15,526)	(15,526)
Issue of share capital	21	12,000	-	-	-	12,000
Balance at 30 June 2021		70,144	70,345	13,965	(202,997)	(48,543)

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2021

	Notes	2021 £000	£000	2020 £000	£000
Cash flows from operating activities					
Cash absorbed by operations	27		(13,522)		(13,791)
Interest paid			(418)		(317)
Net cash outflow from operating activities			(13,940)		(14,108)
Investing activities					
Purchase of players registrations		(10,232)		(12,881)	
Proceeds on disposal of players registrations		7,886		19,766	
Purchase of tangible fixed assets		(363)		(1,765)	
Proceeds on disposal of tangible fixed assets		16		-	
Net cash (used in)/generated from investing activities			(2,693)		5,120
Financing activities					
Proceeds from NF Football Investments Limited		1,706		18,825	
Payments to former owner		-		(5,379)	
Proceeds/repayment of loans		14,944		(4,692)	
Net cash generated from financing activities			16,650		8,754
Net increase/(decrease) in cash and cash equivalents			17		(234)
Cash and cash equivalents at beginning of period			381		615
Cash and cash equivalents at end of period			398		381

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2021

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

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

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

The financial statements of the company are consolidated in the financial statements of NF Football Investments Limited. These consolidated financial statements are available from Companies House.

1.2 Going concern

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

The Company meets its day to day working capital requirements via funding from the parent company and the ultimate beneficial owners. The parent company and its ultimate beneficial owners have indicated that they have no intention to recall the loan amounts for at least 12 months from the date of signing this report.

The directors would like to reiterate that they are fully committed to supporting the club during the ongoing Covid-19 crisis. In assessing the appropriateness of the going concern assumption, the Directors have reviewed detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios and material uncertainties in relation to income and costs. Based on these cash flow forecasts the Club can meet its liabilities as they fall due and the Directors have therefore concluded that the virus does not create a material uncertainty, and it is appropriate for the financial statements to be prepared on the going concern basis.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.3 Reporting period

The financial statements are presented for the 13 months ended 30 June 2021. As a result, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.4 Turnover

Turnover represents all income arising from the activities of the company excluding player transfer fees and Value Added Tax.

Other operating income relates to income received in respect of Government Coronavirus support. Grants received under the Job Retention Scheme are recognised in the period in which the associated payroll cost is incurred.

1.5 Intangible fixed assets other than goodwill

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

Players' registrations	Over the life of the players' contract
------------------------	--

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

1.6 Tangible fixed assets

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

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

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

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

1.7 Impairment of fixed assets

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.8 Stocks

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

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

The company also provides pension benefits through defined contribution schemes

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.14 Leases

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

1.15 Government grants

Revenue grants are credited to the profit and loss account when the related expense is incurred. Capital grants are included within deferred income, and are released to the profit and loss account over the estimated useful life of the relevant asset.

Grants received under the Job Retention Scheme are recognised in the period in which the associated payroll cost is incurred.

1.16 Foreign exchange

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

1.17 Heritage assets

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

1.18 Signing on fees

Signing-on fees payable to players are charged, as part of operating expenses, to the profit and loss account over the period of the player's contract on a straight-line basis. Where a player's registration is transferred, any signing on fees payable in respect of future periods are charged against profit and loss of players disposal.

2 Judgements and key sources of estimation uncertainty

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

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Tangible assets, depreciation and residual values

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

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

Intangible assets, amortisation and residual values

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

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

Impairment of non-current assets

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

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

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

3 Turnover and other revenue

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

	2021 £000	2020 £000
Turnover analysed by class of business		
Sponsorship and advertising	2,957	2,073
Catering	7	1,001
Grants & royalties	9,592	8,698
TV & radio	1,358	1,094
Ticket & membership sales	1,257	7,060
Commercial	20	967
Programme & other match day income	25	314
Other non match day income	4	65
Players	558	1,268
Retail	2,580	2,757
Other	51	
	<u>18,408</u>	<u>25,297</u>

	2021 £000	2020 £000
Other significant revenue		
Grants received	1,046	391
	<u>1,046</u>	<u>391</u>

4 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2021 £000	2020 £000
For audit services		
Audit of the financial statements of the company	15	14
	<u>15</u>	<u>14</u>
For other services		
Taxation compliance services	3	3
All other non-audit services	2	-
	<u>5</u>	<u>3</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

5 Employees

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

	2021	2020
	Number	Number
Playing staff	75	73
Non-playing staff	126	118
Total	<u>201</u>	<u>191</u>

Their aggregate remuneration comprised:

	2021	2020
	£000	£000
Wages and salaries	31,940	33,139
Social security costs	5,128	4,842
Pension costs	128	141
	<u>37,196</u>	<u>38,122</u>

6 Operating loss

	2021	2020
	£000	£000
Operating loss for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(640)	169
Government grants	(1,046)	(391)
Depreciation of owned tangible fixed assets	585	627
Loss on disposal of tangible fixed assets	11	-
Amortisation of intangible assets	5,101	5,961
Impairment of intangible assets	-	367
Cost of stocks recognised as an expense	1,710	2,071
Operating lease charges	212	121
	<u></u>	<u></u>

7 Directors' remuneration

	2021	2020
	£000	£000
Remuneration for qualifying services	607	811
Company pension contributions to defined contribution schemes	13	66
	<u>620</u>	<u>877</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 4).

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

7 Directors' remuneration (Continued)

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

	2021 £000	2020 £000
Remuneration for qualifying services	295	280
Company pension contributions to defined contribution schemes	9	22
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2021 £000	2020 £000
Other interest on financial liabilities	389	287
Net interest on the net defined benefit liability	29	30
	<u> </u>	<u> </u>
	<u>418</u>	<u>317</u>

9 Other gains and losses

	2021 £000	2020 £000
Profit/loss on disposal of player registrations	14,322	11,253
Loans written off	5,000	5,000
	<u> </u>	<u> </u>
	<u>19,322</u>	<u>16,253</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

10 Taxation

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

	2021 £000	2020 £000
Loss before taxation	(15,526)	(15,947)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,950)	(3,030)
Tax effect of expenses that are not deductible in determining taxable profit	94	41
Effect of change in corporation tax rate	(13,015)	-
Deferred tax not recognised	15,871	2,989
Taxation charge for the period	-	-
Deferred Tax - Unprovided	2021 £000	2020 £000
Capital allowances in excess of depreciation	(106)	(110)
Other short term timing differences	(115)	(106)
Losses	(54,009)	(38,036)
	(54,230)	(38,252)

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

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £000	2020 £000
In respect of:			
Intangible assets	12	-	367
Recognised in:			
Administrative expenses		-	367

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

12 Intangible fixed assets

	Players' registrations £000
Cost	
At 1 June 2020	32,552
Additions	3,864
Disposals	(5,638)
	<hr/>
At 30 June 2021	30,778
	<hr/>
Amortisation and impairment	
At 1 June 2020	13,938
Amortisation charged for the period	5,101
Disposals	(5,230)
	<hr/>
At 30 June 2021	13,809
	<hr/>
Carrying amount	
At 30 June 2021	16,969
	<hr/> <hr/>
At 31 May 2020	18,614
	<hr/> <hr/>

More information on impairment movements in the prior period is given in note 11.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

13 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 June 2020	3,821	15,879	2,068	2,882	5,358	30,008
Additions	30	-	216	42	75	363
Disposals	(2)	(1,202)	-	(509)	(1,164)	(2,877)
At 30 June 2021	3,849	14,677	2,284	2,415	4,269	27,494
Depreciation and impairment						
At 1 June 2020	1,120	15,426	-	2,476	4,824	23,846
Depreciation charged in the period	89	25	-	180	291	585
Eliminated in respect of disposals	(2)	(1,202)	-	(508)	(1,149)	(2,861)
At 30 June 2021	1,207	14,249	-	2,148	3,966	21,570
Carrying amount						
At 30 June 2021	2,642	428	2,284	267	303	5,924
At 31 May 2020	2,701	453	2,068	406	534	6,162

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Nottingham Forest Women's Football Club Limited	Great Britain	Women's football club	Ordinary	100.00	-

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

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

The investments in subsidiaries are stated at fair value.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

15	Stocks		2021	2020
			£000	£000
	Finished goods and goods for resale		481	150
			<u> </u>	<u> </u>
16	Debtors		2021	2020
	Amounts falling due within one year:		£000	£000
	Trade debtors		599	224
	Other debtors		390	-
	Amounts receivable in respect of player transfers		5,320	3,104
	Prepayments and accrued income		1,360	614
			<u> </u>	<u> </u>
			7,669	3,942
			<u> </u>	<u> </u>
	Amounts falling due after more than one year:		2021	2020
			£000	£000
	Amounts receivable in respect of player transfers		4,629	-
			<u> </u>	<u> </u>
	Total debtors		12,298	3,942
			<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year		2021	2020
		Notes	£000	£000
	Other borrowings	18	7,441	2,623
	Amounts payable in respect of player transfers		5,523	11,829
	Trade creditors		4,197	3,366
	Amounts due to group undertakings		18,764	29,058
	Other taxation and social security		10,871	5,483
	Other creditors		21,276	16,048
	Accruals and deferred income		5,763	5,059
			<u> </u>	<u> </u>
			73,835	73,466
			<u> </u>	<u> </u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

18 Loans and overdrafts

	2021	2020
	£000	£000
Loans from related parties	420	507
Other loans	17,449	2,505
	<u>17,869</u>	<u>3,012</u>
	<u><u>17,869</u></u>	<u><u>3,012</u></u>
Payable within one year	7,441	2,623
Payable after one year	10,428	389
	<u>10,428</u>	<u>389</u>
	<u><u>10,428</u></u>	<u><u>389</u></u>

Other borrowings are secured by the issue of promissory notes.

19 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£000	£000
Other borrowings	18	10,428	389
Amounts payable in respect of player transfers		350	411
		<u>10,778</u>	<u>800</u>
		<u><u>10,778</u></u>	<u><u>800</u></u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

20 Retirement benefit schemes

	2021	2020
Charge to profit or loss in respect of defined contribution schemes	128	141

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

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

Following a review of the Minimum Funding Requirement ('MFR') of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1995 participating employers will be required to contribute to the deficiency. The Club was advised that a basis of apportionment of the deficit had been approved by the trustees and their advisors, although in practice there are a number of important issues which remain to be resolved that could impact on the final quantification of this liability. In accordance with FRS102, a liability of £453,326 (2020: £533,187) has been recorded in the financial statements equal to the net present value of the future deficit reduction payments. In addition, a finance cost of £26,577 (2020: £30,006) has been recognised in the profit and loss account.

21 Share capital

	2021	2020	2021	2020
	Number	Number	£000	£000
Ordinary share capital Issued and fully paid				
Ordinary shares of 1p each	7,014,429,500	5,814,429,500	70,144	58,144

1,200,000,000 shares of £0.01 were allotted on the 30 June 2021 in consideration of a waiver of debt of £12,000,000 from the company's parent undertaking, NF Football Investments Limited.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

22 Covid 19

The English Football League has amended its profitability and sustainability rules to reflect the change in the environment. In accordance with those amended rules, the Directors directly attribute the following effects (that have impacted the Club and its reporting under the EFL regulations for the following financial years to the Covid-19 pandemic.

The Directors are able to demonstrate that each of the amounts stated below are: (a) in the circumstances non-speculative and may be quantified by reference to historical precedence and/or firm expectations; and (b) also reflects savings achieved by the Club that are directly attributable to Covid-19.

The figures contained in this note are stated net of lost revenues and additional costs related to both match and non-matchday activities including non-utilisation of the furlough credit scheme available, together with anticipated player sales based on historic player trading that was not possible due to Covid-19.

	Actual 2020 £'000	Actual 2021 £'000	Forecast 2022 £'000
Covid-19 add back	8,224	8,470	12,178

This disclosure has been produced in accordance with the guidance provided by the English Football League on applicable Covid-19 costs and loss of income. This disclosure has been provided by the Directors as additional information as it is not specifically required under the requirements of FRS102 or the Companies Act and the values contained within it are not prepared in accordance with the recognition or measurement requirements of FRS 102.

23 Financial commitments, guarantees and contingent liabilities

The contingent liability from player purchases and First Team management changes amounts to approximately £6,041,985 (2020 - £5,690,903).

24 Operating lease commitments

Lessee

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

	2021 £000	2020 £000
Within one year	170	120
Between two and five years	445	330
In over five years	2,782	2,860
	<u>3,397</u>	<u>3,310</u>

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

25 Related party transactions

Transactions with related parties

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

	Loans received in the year		Loans repaid/written off in the year	
	2021 £000	2020 £000	2021 £000	2020 £000
NF Football Investments Limited	3,000	18,839	1,294	-
Other related parties	63	-	150	173
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2021 £000	2020 £000
Amounts due to related parties		
NF Football Investments Limited	18,764	29,058
Other related parties	420	507
	<u> </u>	<u> </u>

Other information

1,200,000,000 shares of £0.01 were allotted on the 30 June 2021 in consideration of a waiver of debt of £12,000,000 from the company's parent undertaking, NF Football Investments Limited.

At 30 June 2021 included within other creditors are amounts payable to related parties of £20.6m (2020 - £9.5m).

During the year, an amount of £278k was written off between related parties.

26 Ultimate controlling party

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

The largest group of companies which publishes consolidated financial statements and of which the company is a member is NF Football Investments Limited. These consolidated financial statements are available from Companies House.

The ultimate controlling party of the Club at 30 June 2021 was Mr E Marinakis.

NOTTINGHAM FOREST FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2021

27 Cash generated from operations

	2021 £000	2020 £000
Loss for the period after tax	(15,526)	(15,947)
Adjustments for:		
Finance costs	418	317
Amortisation and impairment of players registrations	5,101	6,328
Depreciation and impairment of tangible fixed assets	585	627
Loans written off	(5,000)	(5,000)
Profit on disposal of players registration	(14,322)	(11,253)
Pension scheme non-cash movement	-	(30)
Movements in working capital:		
(Increase)/decrease in stocks	(331)	192
(Increase)/decrease in debtors	(1,510)	933
Increase in creditors	17,063	10,042
Cash absorbed by operations	(13,522)	(13,791)

28 Analysis of changes in net debt

	1 June 2020 £000	Cash flows £000	30 June 2021 £000
Cash at bank and in hand	381	17	398
Borrowings excluding overdrafts	(3,012)	(14,857)	(17,869)
	<u>(2,631)</u>	<u>(14,840)</u>	<u>(17,471)</u>