Newcastle United Limited

Financial statements

For the year ended 30 June 2022

Company no 02529667

Company information

Company registration number:	02529667
Registered office:	St. James Park NEWCASTLE UPON TYNE NE1 4ST
Directors:	Y O Al-Rumayyan J A Reuben A L Staveley A M A Rezeeq A A Alhagbani
Bankers:	Barclays Bank PLC Barclays House 5 St Ann's Street Quayside NEWCASTLE UPON TYNE NE1 3DX
Independent Auditor:	RSM UK Audit LLP Statutory Auditors Chartered Accountants 25 Farringdon Street London EC4A 4AB

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Group strategic report

Principal activities and business review

The principal activities of the Group during the year were the operation of a professional football club together with related and ancillary activities.

On October 7 2021, a little over three months into the reporting period under review, a change in ownership took place. An investment group led by the Public Investment Fund (PIF) and also comprising PCP Capital Partners and RB Sports & Media completed the acquisition of 100% of the share capital of Newcastle United Limited. Following the change in ownership, L Charnley resigned as a director and has been replaced, over the course of the period, by Y O Al-Rumayyan, M Al Sorour (resigned on 14 December 2022), JA Reuben and A L Staveley and, subsequent to the year end, A M A Rezeeq and A A Alhagbani (The Directors).

The Directors present the Group's strategic report for the year ended 30 June 2022. Comparative financial statements are for the 11 months ended 30 June 2021.

The Directors report a loss after tax for the year of £70.7m (2021: loss after tax £12.2m). The loss has been driven mostly by investment in the playing squad, in alignment with a long-term strategic objective to improve the competitive position of the team. Improving the sporting performance of the team will, over time, improve the commercial revenues and overall financial performance, and valuation, of the Group.

At the beginning of the accounting period, the Group was still recovering from the challenges – both operational and financial – that were posed by the Covid-19 pandemic. The shutdown of the league, and the subsequent resumption of play in empty stadia, impacted the entire 2020-21 season.

It was only in August 2021 that we saw the return of fans to stadiums, and the resumption of a more normal rhythm of commercial activities.

At the time of the change in ownership, Newcastle United were 19th in the Premier League, having won just 3 points from 7 games. The club had exited the Carabao Cup in Round 2.

On 20 October 2021 Steve Bruce left his position as head coach by mutual consent, and on 8 November 2021 the club announced the appointment of Eddie Howe as his replacement. Subsequent changes to the backroom staff followed on 16 November 2021.

The Club invested heavily during the January 2022 transfer window, bringing in Kieran Trippier, Dan Burn, Bruno Guimaraes, Chris Wood and (on loan) Matt Targett. After winning 12 and drawing two of the final 18 games, the club finished in 11th place in the league with 49 points. The higher league position and player signings increased the wage bill considerably, increasing our staff costs to turnover ratio for the year ended 30 June 2022 to 94.6% (2021: 76.2%). After the year end the Group contracted for the purchase and sale of a number of player registrations. The net cost of these transfers, excluding any contingent fees was £170m (2021: £112m).

Work to extend and improve the First Team Training facilities got underway in May 2022.

On 30 May 2022 the Club announced the appointment of Dan Ashworth as Sporting Director, followed (subsequent to the year end) on 15 July 2022 by Darren Eales as Chief Executive Officer and on 17 October 2022 by Peter Silverstone as Chief Commercial Officer. Further appointments will follow as the Club continues to improve infrastructure and add resources across all areas of the business, all driven by the new strategic plan.

Our long-term objective remains unchanged: to improve the sporting performances of the club, with a view to consequently improving the financial performance of the Group.

Group strategic report (continued)

Principal activities and business review (continued)

The Group's key financial performance indicators are listed below:

	2022(12m)	2021(11m)	Inc/(Dec)
Turnover	£180.0m	£140.2m	£39.8m
Operating (loss)/profit before amortisation & impairment	(£26.4m)	£16.9m	(£43.3m)
Operating loss	(£71.7m)	(£13.7m)	(£58.0m)
Loss after tax	(£70.7m)	(£12.2m)	(£58.5m)
Staff costs to turnover ratio	94.6%	76.2%	18.5%
Cash at year end	£5.1m	£17.5m	(£12.4m)
Average home league attendance	51,487	n/a	
League position	11th	12th	

Financial overview

An analysis of turnover by category is shown in Note 4 on page 30, with the principal movements explained below.

- Match income increased £27.3m from £0.2m to £27.5m following the return of crowds at the start of the 2021-22 season.

- Media income rose £4.8m (4%) from £119.3m to £124.1m, reflecting an increased merit award due to the higher league finish of 11th (2020-21: 12th) and an increase in the number of live TV appearances to 21 (2020-21 :18).

- Commercial income increased £8.9m (52%) from £17.6m to £26.5m, reflecting the first year of the Castore sponsorship, increased revenue from Premier League and Club commercial partners, and the return of matchday and non-matchday commercial activities and events.

Covid-19 aside, the Group's income would not be significantly impacted by any change to the standard 12 month accounting period (2020-21 :11 months) as the vast majority of the Group's income arises during the playing season (usually 10 months out of 12). Operating costs however, in particular the two most significant - wages and player amortisation - accrue on a more even basis across the entirety of any given accounting period so the difference is of greater significance here.

Operating expenses for the year were £206.3m (11 months ended 30 June 2021 £123.3m) an increase of £83.0m, or 67%.

Staff costs increased £63.4m (59%) from £106.8m to £170.2m due to a number of factors

- Additions to the playing squad in January 2022 transfer window
- Change in first team management
- Provisions for onerous contracts at 30 June 2022 provisions (see note 18)
- Impact of a 12 month v 11 month accounting period

Other operating expenses increased £19.3m (134%) from £14.4m to £33.7m, the main reasons being:

- Matchday costs relating to the return of fans to stadiums and resumption of matchday and non matchday commercial activities
- Costs related to the first elements of the new strategic plan

The net effect of the above is an operating loss before player amortisation and impairment of £26.4m (2021: profit of £16.9m).

Group strategic report (continued)

Financial overview (continued)

Amortisation increased by £17.4m from £32.3m to £49.7m, impacted by the January 2022 spend, and the 12 month current year v 11 month prior period. There were impairment charges of £1.4m in the year (2021: £nil).

Profit on disposal of players' registrations totalled £5.8m (2021: £1.7m).

Interest payable of £1.4m (2021: £0.3m) relates mostly to the unwinding of discounts on deferred payments for players' registrations.

The overall impact of all of the above, is a loss of £72.9m before tax (2021: £13.6m), reducing to £70.7m (2021: £12.2m) after a taxation credit of £2.2m. (2021: £1.4m).

Despite the loss after tax of £70.7m, net assets increased £97.9m to £106.1m at 30 June 2022 (30 June 2021: £8.2m), major factors being changes in the Group's debt profile, together with the impact of significant player trading activity during the year:

- 3 shares were issued during the year at a significant premium (£167.9m). The first of these shares, issued for £89.4m on acquisition of the Company in October 2021, extinguished the balance of the loan note owed to the previous parent company, the second and third shares were subsequently issued in November 2021 and January 2022 respectively for total cash consideration of £78.5m.
- Intangible assets increased £97.2m to £199.0m (30 June 2021: £101.8m), driven by the significant investment in the playing squad referenced earlier in this report. Payment profiles of these incoming transfers contributed to a corresponding increase in trade creditors – amounts relating to consideration payable for players' registrations rose to £74.7m (30 June 2021: £nil), of which £22.6m is payable after more than one year (30 June 2021: £nil).
- Provisions for onerous employment contracts and contingent transfer fees payable increased to £19.6m (30 June 2021: £1.0m).

Group strategic report (continued)

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 have had regard to the interests of the Group's employees and other stakeholders, the impact of the Group's activities on the community and the environment, and the Group's reputation for good business conduct and have acted in a way in which they consider, in good faith, is most likely to promote the success of the Group for its members in the long term.

Community

We are a club at the heart of our community and play a key role in the North East, working in partnership with Newcastle United Foundation and in collaboration with local councils, businesses and agencies to support delivery of community programmes. Using the power of football to connect, motivate and inspire people, Newcastle United Foundation delivers education, health and wellbeing, employability and sports programmes across the region, and in 2021/22 worked with over 65,000 participants through outreach work and at NUCASTLE, its world class community hub which opened in March 2022 and is located five minutes' walk from St. James' Park. Club employees are supported to volunteer through our Foundation and community programmes and we work closely with our supporter groups, who are part of our Newcastle United family.

Our equality, diversity and inclusion (EDI) work is carried out under our 'United as One' brand and is central to our club values; we welcome all, actively seeking out new additions to our Newcastle United family who enhance our diversity and enable us to better reflect the communities we serve. Working towards Preliminary status in the Premier League's Equality Standard, we are committed signatories to the Football Leadership Code and participate in the Coach Inclusion Diversity Scheme through our Academy. Work under our United as One brand includes matchday campaigns and we are proud to work with our supporter groups including United with Pride and Newcastle United Disabled Supporters Association, and we engage with a diverse range of stakeholders to ensure our Equality Action Plan is insights led and informed by our equality monitoring data.

Club employees

Newcastle United is a family and we put this at the heart of our decision making. We work to create environments in which all are respected, supported and valued, focusing on the individual needs of employees, and ensuring the right conditions for everyone to achieve their full potential. We are committed to engaging with our employees and do this through regular meetings, social events, our intranet communications platform and work with our Employee Forum; supporting everyone to live our values of hard work, self-discipline, collaboration and passion.

Our total reward offer is informed by external benchmarking and includes our commitment to paying the Real Living Wage and continual development so that we can attract and retain the great people who make up our Newcastle United family.

Supporter engagement

The club regularly engages and consults with recognised supporter groups, continually developing our relationships with Newcastle United Supporters Trust, Newcastle United Disabled Supporters Association, Wor Flags and our local and global fan base through supporter engagement events and meetings, growing our networks and dialogue with fan representatives.

Our commitment to supporter communication is facilitated through the wider local, national and international media and the club's own channels, including our website, NUFC TV, social media accounts and by direct email. Our CEO and senior team are committed to regular liaison with supporters, both personally and through engagement events led by our Head of Supporter Services and Head of Inclusion.

Group strategic report (continued)

Section 172 Statement (continued)

Business relationships

Newcastle United prides itself on its business relationships, which are vital in supporting its global ambitions. The club has relationships with commercial and business partners at local, national and international level, building engagement with fans and other business partners for mutual impact. Local networks provide a high level of engagement with the club and form a key part of the club's supply chain, particularly in areas such as stadium maintenance and IT.

Newcastle United is a Gold Partner of NewcastleGateshead Initiative, taking a seat on the destination marketing organisation's strategic board. Through this relationship the club actively supports the region's economic ambitions to increase inbound tourism and investment to the region. Directors and senior management continue to work with regional stakeholders to identify opportunities to host special sporting, cultural and business events at St. James' Park, with many world class events successfully delivered, returning in subsequent years.

The Club is also a Partner Member of the North East Chamber of Commerce to ensure a presence at regional networking opportunities. Newcastle United is also planning the launch of its own Business Club, which will give organisations the opportunity to establish closer links with the club.

Group strategic report (continued)

Streamlined Energy and Carbon Reporting (SECR)

The club is in the process of launching a comprehensive energy and environmental policy to set sustainable and achievable targets for reducing energy consumption and carbon emissions across the organisation. The core policies will identify commitments and targets focussing on the following areas:

- Energy reduction and renewable energy
- Water minimisation
- Waste reduction and recycling
- Eliminating single use plastic
- Enhancing biodiversity
- Providing sustainable transport options for staff and supporters
- Sustainability training
- Plant based food options

A new Sustainability Manager role has also been created which will continuously monitor performance against these targets.

The club has been and will continue to explore a number of measures that were discovered from ESOS phase 1 and 2 assessments which include AC optimisation, LED upgrades and controls, solar, voltage optimisation, secondary metering and monitoring & targeting software and better practices. Actions taken in the year include LED lighting upgrades to all toilets and concourse areas across St James' Park and PIR sensors on lighting.

	Year ended 30 June 2022		Year ended 30 June 2021	
	Energy Usage (kWh)	Greenhouse Gas Emissions (tCO2e)	Energy Usage (kWh)	Greenhouse Gas Emissions (tCO2e)
Scope 1 – Direct GHG Emissions				
Gas Consumption	10,669,493	1,954	10,112,480	1,859
Transport Consumption	273,772	66	311,662	76
Scope 2 – Energy Indirect Emissions				
Purchased Electricity	6,695,039	1,422	4,396,836	1,025
Scope 3 – Other Indirect Emissions				
Business Travel	180,764	42	77,570	18
Total	**17,819,068**	**3,484**	**14,898,548**	**2,978**
Emissions Intensity Ratio (tCO2e per £1m turnover)	19.38		21.32	

The increases in kWh and tCO2e usages were primarily generated at St James' Park which returned to typical usage for the year following the Covid-19 pandemic.

The external consultants used collected data from supplier invoices, fuel usage and mileage records, in line with the methodology set out in the GHG Protocol - Corporate Standard and the Energy Managers Association guidance. The UK Government GHG Conversion Factors for Company Reporting for 2021 were used in the conversion of transport and other fuels into kWh and CO2e.

The club has chosen tonnes of carbon emitted per £million turnover for its Intensity Ratio.

Group strategic report (continued)

Principal risks and uncertainties

The Directors consider the following to be the key business risks and uncertainties associated with the operation of a professional football club and will take such action as is considered necessary to manage and/or mitigate those risks:

- Not being in membership of the Premier League for any prolonged period due to the impact on revenue streams.
- Ability to recruit and retain playing staff and other key employees in what is a highly competitive market.
- Unavailability of key playing staff through injury.
- Changes to the rules and regulations of the FA, PL, EFL, UEFA and FIFA in areas such as: competition format, revenue distribution, profitability and sustainability rules, eligibility of players and operation of the transfer market.
- Negotiation of key commercial contracts – including Premier League centrally negotiated broadcasting and commercial agreements.
- Health and safety risks associated with the stadium operation on match and non-match days.
- Cash management, including the impact of dealing with overseas customers and suppliers where transactions are subject to currency fluctuations.

Future Developments

Following the change in ownership, a review of all aspects of the footballing and business operations continues, with a view to outlining a new long-term vision and strategy for the club.

This report was approved by the board on 31 March 2023 and signed on its behalf.

DocuSigned by:
Amanda Staveley
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A L Staveley
Director

Directors' report

The Directors present their report and the financial statements for the year ended 30 June 2022.

Information included in the Strategic Report

The Group has chosen, in accordance with Companies Act 2006 s.414C(11), to set out in the Group's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch. 7 to be contained in the Directors' Report. It has done so in respect of engagement with employees, suppliers, customers and others, carbon reporting disclosures and future developments as the directors consider these to be of strategic importance to the Group.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 30 June 2022 (2021: £nil).

Directors

The Directors who served during the year, and subsequent to the year end were:

Y O Al-Rumayyan (appointed 2 December 2021)
M Al Sorour (appointed 12 May 2022, resigned 14 December 2022)
J A Reuben (appointed 7 October 2021)
A L Staveley (appointed 7 October 2021)
A M A Rezeeq (appointed 23 February 2023)
A A Alhagbani (appointed 23 February 2023)
L Charnley (resigned 7 October 2021)

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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), including FRS 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 the 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 applicable UK Accounting Standards have been followed, 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 Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's Website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report (continued)

Directors' Indemnities

The Group has made qualifying third party indemnity provisions for the benefit of the Directors which remain in place at the date of this report.

Political and charitable donations

The Group's charitable donations for the year amounted to £646,000 including an amount payable to Newcastle United Foundation in respect of bonuses for Foundation staff (2021: £175,000). There were no political contributions (2021: £nil).

Payment to suppliers

The Group does not have a standard creditor payment policy but seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment, which will be agreed with suppliers when the details of each transaction are settled. The Group will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders.

Principal financial risk management policies and objectives

The Group aims to minimise financial risk and prepares rolling cash flow and profit forecasts to monitor performance against budget, and to ensure that its available cash is managed effectively.

The financial assets that expose the Group to financial risk include cash and trade debtors. Cash is held at Barclays Bank PLC. Trade debtors are monitored closely to minimise the possibility of bad debts arising. Amounts due from other clubs are covered by specific football creditor rules as a result of which these amounts carry minimal risk of default. In relation to player trading transactions the Group may, where appropriate, use foreign exchange forward contracts to minimise the foreign exchange risk associated with future trade receivables.

Employee involvement

The Group recognises the importance of employee engagement and, within the bounds of commercial confidentiality, seeks to keep staff across the organisation informed of matters relating to the performance of the Group that may be of interest to them as employees. Further details are contained in the Strategic Report.

Disabled employees

The Group ensures that all employees, and job applicants, are treated fairly, in accordance with its Group policies and values. Applications for employment by disabled persons are fully considered and assessed objectively against the requirements of the job, giving consideration to any reasonable adjustments that may be required for someone with a disability. In the event that an existing employee becomes disabled, all reasonable and practicable steps will be taken to ensure their employment with the Group continues.

Directors' report (continued)

Subsequent events

After the year end the Group contracted for the purchase and sale of a number of player registrations. The net cost of these transfers, excluding any contingent fees was £170m (2021: £112m).

Subsequent to the year end, further equity funding of £127.4m has been received. In addition, to support its working capital position, the Group has agreed a term loan facility of £50m and a revolving loan facility of £25m. Both facilities bear interest at market rates, are secured on Premier League Central Funds and Group ticket revenues, and run until July 2025. At the date of signing these accounts only the term loan facility is drawn down.

On 25 July 2022 the Group acquired 100% of the share capital of Newcastle United Women's Football Club Limited from Newcastle United Foundation for nominal consideration.

Going concern

The Directors have prepared detailed cash flow forecasts for the period until the end of the 2023/24 football season for the purposes of their going concern assessment.

The Directors have obtained a letter from PZ Newco Limited, the immediate parent, confirming that the present policy of PZ Newco Limited will ensure the Group receives sufficient support, including funds, to meet its liabilities as they fall due for the period to 30 June 2024. The letter notes that this is an expression of PZ Newco Limited's present policy and should not be construed as constituting a promise as to future conduct and does not create any legally binding obligations. PZ Newco Limited has received equivalent letters from each of its beneficial owners.

The Directors have, after careful consideration of those matters set out above, concluded that the Company and the Group remain a going concern and, as a result, have prepared the financial statements on the going concern basis.

Disclosure of information to auditor

The Directors at the time when this Directors' Report is approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This report was approved by the board on 31 March 2023 and signed on its behalf.

DocuSigned by:
Amanda Staveley
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A L Staveley
Director

Independent auditor's report to the members of Newcastle United Limited

Opinion

We have audited the financial statements of Newcastle United Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated statement of comprehensive income, Consolidated and Company statements of financial position, Consolidated and Company statements of changes in equity, Consolidated 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 group's and of the parent company's affairs as at 30 June 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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. 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 group's or the parent 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.

Independent auditor's report to the members of Newcastle United Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept 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 directors' responsibilities statement set out on page 8, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Independent auditor's report to the members of Newcastle United Limited (continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completion of a financial statements disclosure checklist and reviewing the tax computations prepared by external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Premier League's Profit and Sustainability Rules (PSR). We performed audit procedures to check the Group's PSR calculations and to inquire of management whether any non-compliance has occurred or is expected to occur in the foreseeable future.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Coates

RICHARD COATES (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

31 March 2023

Consolidated statement of total comprehensive income

	Note	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Turnover	4	**179,986**	140,192
Operating expenses before amortisation and impairment		**(206,343)**	(123,333)
Operating (loss)/profit before amortisation and impairment		**(26,357)**	16,859
Amortisation and impairment of players' registrations	12	**(51,139)**	(32,277)
Operating loss before profit on disposal of players' registrations		**(77,496)**	(15,418)
Profit on disposal of players' registrations		**5,832**	1,701
Operating loss	5	**(71,664)**	(13,717)
Interest receivable and similar income	9	**186**	385
Interest payable and expenses	10	**(1,389)**	(290)
Loss before tax		**(72,867)**	(13,622)
Taxation	11	2,217	1,430
Loss and total comprehensive income for the year		**(70,650)**	(12,192)

The notes on pages 20 to 43 form part of these financial statements.

Consolidated statement of financial position

	Note	30 June 2022 £000	30 June 2022 £000	30 June 2021 £000	30 June 2021 £000
Fixed assets					
Intangible assets	12		**198,975**		101,830
Tangible assets	13		**56,586**		54,492
			255,561		156,322
Current assets					
Stocks		**28**		-	
Debtors: amounts falling due within one year	15	**27,896**		14,625	
Debtors: amounts falling due after one year	15	**3,667**		1,852	
Cash at bank and in hand		**5,057**		17,483	
		36,648		33,960	
Creditors: amounts falling due within one year	16	**(137,460)**		(172,548)	
Net current liabilities			**(100,812)**		(138,588)
Total assets less current liabilities			**154,749**		17,734
Creditors: amounts falling due after more than one year	17		**(29,012)**		(6,317)
Provisions for liabilities	18		**(19,599)**		(3,217)
Net assets			**106,138**		8,200
Capital and reserves					
Called up share capital	20		**6,655**		6,655
Share premium account	21		**236,856**		68,944
Capital redemption reserve	21		**831**		831
Capital contribution reserve			**676**		-
Retained earnings	21		**(138,880)**		(68,230)
			106,138		8,200

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2023.

DocuSigned by:

Amanda Staveley

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A J Staveley
Director

The notes on pages 20 to 43 form part of these financial statements.

Consolidated statement of changes in equity

	Called up share capital	Share premium account	Capital redemption reserve	Capital contribution reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	6,655	68,944	831		(56,038)	20,392
Loss for the period	-	-	-	-	(12,192)	(12,192)
At 30 June 2021	**6,655**	**68,944**	**831**	**-**	**(68,230)**	**8,200**

	Called up share capital	Share premium account	Capital redemption reserve	Capital contribution reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2021	6,655	68,944	831	-	(68,230)	8,200
Loss for the year	-	-	-	-	(70,650)	(70,650)
Capital contribution received in year		-	-	676	-	676
Shares issued in year	-	167,912	-	-	-	167,912
At 30 June 2022	**6,655**	**236,856**	**831**	**676**	**(138,880)**	**106,138**

Company statement of financial position

	Note	£000	30 June 2022 £000	£000	30 June 2021 £000
Fixed assets					
Investments	14		**237,857**		69,946
Current assets					
Debtors: amounts falling due within one year	15	**9,108**		5,120	
Cash at bank and in hand		**900**		4,890	
		10,008		10,010	
Creditors: amounts falling due within one year	16	**(1,233)**		(1,236)	
Net current assets			**8,775**		**8,774**
Total assets less current liabilities			**246,632**		78,720
Net assets			**246,632**		78,720
Capital and reserves					
Called up share capital	20		**6,655**		6,655
Share premium account	21		**236,856**		68,944
Capital redemption reserve	21		**831**		831
Retained earnings	21		**2,290**		2,290
			246,632		78,720

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The profit after tax of the parent Company for the year was £nil (2021: £nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2023.

DocuSigned by:
Amanda Staveley
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A L Staveley
Director

The notes on pages 20 to 43 form part of these financial statements.

Company statement of changes in equity

	Called up share capital	Share premium account	Capital redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	6,655	68,944	831	2,290	78,720
At 30 June 2021	**6,655**	**68,944**	**831**	**2,290**	**78,720**

	Called up share capital	Share premium account	Capital redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 July 2021	6,655	68,944	831	2,290	78,720
Shares issued in year	-	167,912	-	-	167,912
At 30 June 2022	**6,655**	**236,856**	**831**	**2,290**	**246,632**

Consolidated statement of cash flows

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Cash flow from operating activities		
Loss for the financial period	**(70,650)**	(12,192)
Adjustments for:		
Amortisation & impairment of intangible assets	**51,139**	32,277
Depreciation of tangible assets	**2,518**	2,205
Profit on disposal of intangible assets	**(5,832)**	(1,701)
Interest paid	**1,389**	290
Interest received	**(186)**	(385)
Taxation credit	**(2,217)**	(1,430)
Grants	**(87)**	(87)
Increase in capital contribution reserve	**676**	-
Increase in stocks	**(28)**	-
Increase in debtors	**(17,921)**	(1,455)
Increase/(decrease)in creditors	**26,660**	(39,321)
Increase/(decrease) in provisions	**14,229**	(4,081)
Taxation received	**-**	1,006
Net cash used in operating activities	**(310)**	(24,874)
Cash flows used in investing activities		
Purchase of intangible fixed assets	**(74,430)**	(39,695)
Sale of intangible assets	**10,072**	14,843
Purchase of tangible fixed assets	**(3,663)**	2
Interest received	**1**	15
Net cash used in investing activities	**(68,020)**	(24,835)
Cash flows from financing activities		
Share capital issued	**78,500**	-
New loans	**-**	4,752
Repayment of existing loans	**(22,500)**	-
Repayments of obligations under finance leases and hire purchase	**(77)**	(229)
Interest paid	**(19)**	(9)
Net cash from financing activities	**55,904**	4,514
Net decrease in cash and cash equivalents	**(12,426)**	(45,195)
Cash and cash equivalents at beginning of year	**17,483**	62,678
Cash and cash equivalents at the end of year	**5,057**	17,483

The notes on pages 20 to 43 form part of these financial statements.

Notes to the financial statements

1 General information

Newcastle United Limited (The Company') is a company incorporated in the United Kingdom. Its registered office is St. James' Park, Newcastle Upon Tyne, NE1 4ST. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as 'the Group'). The Parent company financial statements present information about the Company as a separate entity and not about its Group.

These financial statements are prepared for the year ended 30 June 2022 with comparatives for the 11 month period ended 30 June 2021. The Company's 2020 year end was changed from 30 June to 31 July to enable the revenue for the whole of the 2019-20 season to be included in the financial statements. The Company's 2021 year end was changed back to 30 June. As explained in the Strategic Report, the club's largest operating expenses accrue evenly over time, so the financial performance reported for the year ended 30 June 2022 is not entirely comparable to the prior period amounts stated for the 11 month period ended 30 June 2021.

The financial statements are prepared under the historical cost convention, and in accordance with accounting principles generally accepted in the United Kingdom.

The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise stated.

The accounting policies set out below have, unless otherwise stated, been applied consistently for both the Group and the Company to all periods presented in these consolidated and Company financial statements.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3). The following principal accounting policies have been applied:

2.2 Going concern

The Directors have prepared detailed cash flow forecasts for the period until the end of the 2023/24 football season for the purposes of their going concern assessment.

The Directors have obtained a letter from PZ Newco Limited, the immediate parent, confirming that the present policy of PZ Newco Limited will ensure the Group receives sufficient support, including funds, to meet its liabilities as they fall due for the period to 30 June 2024. The letter notes that this is an expression of PZ Newco Limited's present policy and should not be construed as constituting a promise as to future conduct and does not create any legally binding obligations. PZ Newco Limited has received equivalent letters from each of its beneficial owners.

The Directors have, after careful consideration of those matters set out above, concluded that the Company and the Group remain a going concern and, as a result, have prepared the financial statements on the going concern basis.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

Subsidiaries are entities controlled by the Group. Control exists where the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases, using the acquisition method of accounting.

The Company has taken advantage of the exemption available within FRS102 from the requirement to present a Company cash flow statement as a consolidated cash flow statement is presented within these financial statements.

2.4 Revenue

Revenue represents income arising from sales to third parties, and excludes transfer fees receivable, which are dealt with in the profit or loss on disposal of players' registrations, and value added tax. Revenue can be analysed into four major streams, within which significant amounts are accounted for, as follows:

Matchday
Season ticket and corporate hospitality revenue is recognised over the period of the football season as home matches are played. Any revenues received in respect of future games are held as deferred income.

Media
Fixed elements of central broadcasting contracts are recognised over the period of the football season as league matches (home and away) are played. Appearance fees are accounted for as earned. The merit-based payment is recognised at the end of the league season, when the final league position is known.

Commercial
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 the sale of branded products is recognised at the point of despatch when significant risks and rewards of ownership are deemed to have been transferred to the buyer.

Other income
Other income includes grants, monies received from insurance claims and fees in respect of players' international duties. Grants are accounted for under the accruals model and all other income is recognised on an accruals basis.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.5 Intangible assets

Acquired players' registrations
The costs associated with the acquisition of players' registrations are capitalised at cost at the date of acquisition as intangible fixed assets. These costs are fully amortised, on a straight line basis, over the period of the respective players' contracts.

For the purposes of impairment reviews, acquired players' registrations are classified as a single cash-generating unit until the point at which it is clear that, in the opinion of the Directors, the player is no longer expected to remain an active member of the playing squad. In these circumstances the carrying value of that individual player's registration is reviewed against a measurable net realisable value.

Contingent payments
Under the conditions of certain transfer agreements, further fees may become payable to the selling club in the event of the player concerned making a certain number of first team appearances, or on the occurrence of certain other specified future events. Liabilities in respect of these additional payments are accounted for when, in the opinion of the Directors, it becomes probable that the number of required appearances will be achieved or the specified future event will occur. The balance of potential costs is included as a contingent liability. Any additional liabilities or payments made under these agreements are added to the cost of players' registrations within intangible fixed assets and amortised over the remaining period of the respective players' contracts.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	-	over the shorter of the unexpired term of the lease and 50 years
Fixtures and equipment	-	3 – 15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Income Statement.

Owned assets
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Notes to the financial statements (continued)

2 Accounting policies (continued)

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 Consolidated Income Statement 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 Consolidated Income Statement on a straight-line basis over the lease term.

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU') to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

2.10 Grants

Grants are accounted for under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

2.11 Deferred income

Deferred income comprises amounts received from capital grants, sponsorship, bond, corporate hospitality and season ticket income. Capital grants are released to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of the assets to which they relate. Other deferred income is released to the Consolidated Income Statement on a straight-line basis over the period to which it relates.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt 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. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.16 Foreign currency translation

Functional and presentation currency
The Group's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement.

Foreign exchange gains and losses are presented in the Statement of consolidated income within 'operating costs'.

2.17 Finance costs

Finance costs are charged to the Consolidated Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 Operating leases

Rentals paid under operating leases are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.19 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as they arise. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.20 Pensions

Defined contribution plans
The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Football League Limited Pension and Life Assurance Scheme

The Group is a member of the Football League Pension and Life Assurance Scheme, a multi employer plan. It is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan. It accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the Group has formally agreed, with the plan, to participate in a deficit funding arrangement the Group recognises a liability for this obligation. The amount recognised is the net present value of the obligation payable under the agreement that relates to the deficits. The amount is expensed in the Income Statement. The unwinding of the discount is recognised as a finance cost.

2.21 Interest income

Interest income is recognised in the Consolidated Income Statement using the effective interest method.

2.22 Borrowing costs

All borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.24 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The charge for taxation is based upon the result for the year and comprises current taxation and taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax is the expected tax payable on the taxable profits for the period, using tax rates enacted or substantively enacted at the Statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the Statement of financial position date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the Statement of financial position date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the Statement of financial position date, dividends have been accrued as receivable.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of financial position date.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.25 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

The Group presents as exceptional items, on the face of the Consolidated Income Statement, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance. Amortisation and impairment of intangibles is also presented separately on the face of the Consolidated Income Statement so as to facilitate comparison with prior periods and to better assess trends in financial performance.

2.26 Loans

Loans are initially stated at the amount of the net proceeds after deducting any issue costs which are amortised over the life of the loan. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

2.27 Signing on fees

Signing on fees are charged to the Consolidated Income Statement over the period of the player's contract.

2.28 Operating loss

The operating loss is calculated after operating expenses (including amortisation and impairment) and profit on disposal of players' registrations.

Notes to the financial statements (continued)

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

Preparation of the financial statements requires management to make significant estimates and judgements. The items in the financial statements where these judgements and estimates have been made include:

Impairment of Player Registrations
Under certain circumstances (as outlined in note 2.5) the Directors may be required to estimate a net realisable value for an individual player's registration. This value will take in to account any offers received for that player, as well as the Directors' knowledge and experience of recent trading and market conditions.
When considered necessary, an impairment charge will be made to reduce the carrying value of the player's registration to their fair value less any costs of disposal. An impairment charge for the year of £1.4m (2021: £nil) arose in respect of players no longer expected to remain an active member of the playing squad.

Claims against the Group
The Group assesses claims made against it taking into account all information supporting those claims. To the extent that the claim is more likely than not to require Group resources to settle the claim an assessment of an appropriate provision is made. Any claim where it is possible that resources will be required to settle a claim is disclosed as a contingent liability. See note 23 for details of a claim from HMRC.

Provisions for onerous employment contracts
Onerous contract provisions are recognised in accordance with note 2.19 above. Provisions are recognised based on management's best estimate of certain future events, such as the quantum and timing of future transfer agreements or settlement agreements. Provisions are disclosed in note 18.

Provisions and contingent liabilities for player transactions
As set out above in note 2.5, under the conditions of certain transfer agreements, further fees may become payable to the selling club in the event of the player concerned making a certain number of first team appearances, or on the occurrence of certain other specified future events. Provisions are recognised based on management's best estimate of certain future events, such as the number of player appearances, and the amount that will become payable as a result. Provisions are disclosed in note 18 and contingent liabilities in note 23.

Notes to the financial statements (continued)

4 Turnover

The Group has one main business segment, that of professional football operations. As a result, no additional business segment information is required to be provided. It operates in one geographical segment, the United Kingdom and accordingly no additional geographical segment information is required to be provided.

Notwithstanding this, a voluntary analysis of the revenue streams is given below to assist with an understanding of the business. Turnover streams comprise:

Matchday
Season and matchday tickets and corporate hospitality income.

Media
Television and broadcasting income, including distributions from broadcasting agreements, cup competitions and local radio.

Commercial
Sponsorship income, merchandising, conference and banqueting, catering and other sundry revenue.

Other Income
Other income consists of insurance income, grant income and international fees.

An analysis of turnover by class of business is as follows:

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Matchday	**27,529**	176
Media	**124,111**	119,262
Commercial	**26,545**	17,577
Other income	**1,801**	3,177
	179,986	140,192

All turnover arose within the United Kingdom.

5 Operating loss

The operating loss is stated after charging/(crediting):

	2022 £000	2021 £000
Other operating income – CJRS grant income	**-**	(900)
Other operating income – release of capital grants	**(87)**	(87)
Depreciation and other amounts written off tangible fixed assets:		
- owned and long leasehold	**2,518**	2,205
Amortisation of intangible assets	**49,721**	32,277
Impairment of intangible assets	**1,418**	-
Operating lease payments	**637**	633
Foreign exchange losses	**1,116**	89

Notes to the financial statements (continued)

6 Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**63**	58
Fees payable to the Group's auditor and its associates in respect of:		
Audit-related regulatory reporting	**7**	7

7 Employees

Staff costs were as follows:

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Wages and salaries	**149,225**	93,951
Social security costs	**20,783**	12,583
Other pension costs	**196**	295
	170,204	106,829

The total staff costs including directors' remuneration for the company was nil (2021: £nil).

The average monthly number of full time equivalent employees, including the Directors, during the year was as follows:

	2022 No.	2021 No.
Playing squad, academy, team management and support	**161**	151
Business operations	**128**	140
	289	291

In addition, the Group employed an average of 381 matchday stewards (2021: 72, increasing to 310 for the final game).

The average monthly number of employees, including the Directors, for the company was nil (2021: nil).

8 Directors' remuneration

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Directors' emoluments	**1,001**	260

Remuneration was paid to 1 director in the year (2021: 1 director) and comprises basic salary up to 7 October 2021 and £934,000 (2021: £nil) compensation for loss of office. Remuneration of the highest paid director amounted to £1,001,000 (2021: £260,000).

During the current year and prior period no retirement benefits were accruing to any director in respect of defined contribution pension schemes.

Notes to the financial statements (continued)

9 Interest receivable

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Other interest receivable	**186**	385
	186	385

Other interest receivable includes the unwinding of the discount on deferred payments for players' registrations.

10 Interest payable and similar charges

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Term loan interest payable	**36**	213
Interest payable on multi employer pension scheme	**12**	8
Interest payable on hire purchase contracts and finance leases	**6**	17
Unwinding of the discount on deferred payments for players' registrations	**1,278**	-
Other interest payable	**57**	52
	1,389	290

Notes to the financial statements (continued)

11 Taxation

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Current tax		
Corporation tax	-	(132)
Deferred tax		
Origination and reversal of timing differences	(2,217)	(1,298)
Total tax credit for the period	(2,217)	(1,430)

Factors affecting tax credit for the period
The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 30 June 2022 £000	11 months ended 30 June 2021 £000
Loss before tax	**(72,867)**	(13,622)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	**(13,845)**	(2,588)
Effects of:		
Expenses not deductible for tax purposes	**471**	657
Tax rate adjustments	**(541)**	387
Reversal of other timing differences	**2,665**	-
Losses carried forward unrecognised	**9,007**	-
Adjustments to tax charge in respect of prior periods	**26**	114
Total tax credit for the period	**(2,217)**	(1,430)

In March 2021, the Finance Bill was announced and was substantively enacted on 24 May 2021. This included legislation that the UK tax rate will increase from 19% to 25% from 1 April 2023. The deferred tax provision as at 30 June 2022 has been calculated using the tax rate of 25% (2021: 25%).

Notes to the financial statements (continued)

12 Intangible assets

Group

	Players' registrations £000
Cost	
At 30 June 2021	233,282
Additions	149,501
Disposals	(28,568)
At 30 June 2022	354,215
Amortisation and impairment	
At 30 June 2021	131,452
Charge for the year	51,139
On disposals	(27,351)
At 30 June 2022	155,240
Net book value	
At 30 June 2022	**198,975**
At 30 June 2021	**101,830**

The intangible asset that is material to the financial statements is the first team squad. The carrying value of the squad is £198,975, 000 with a remaining amortisation period of 1-5 years. The amortisation charge for the current squad over this period will be;

2022/23 - £69,700,000
2023/24 - £66,939,000
2024/25 - £34,518,000
2025/26 - £23,317,000
2026/27 - £4,501,000

Notes to the financial statements (continued)

13 Tangible fixed assets

Group

	Land and buildings £000	Fixtures and equipment £000	Assets under construction £000	Total £000
Cost				
At 30 June 2021	97,633	14,356	-	111,989
Additions	1,101	767	2,744	4,612
Disposals	(35)	(6,564)	-	(6,599)
At 30 June 2022	98,699	8,559	2,744	110,002
Depreciation				
At 30 June 2021	44,233	13,264	-	57,497
Charge for the year	2,037	481	-	2,518
Eliminated on disposal	(35)	(6,564)	-	(6,599)
At 30 June 2022	46,235	7,181	-	53,416
Net book value				
At 30 June 2022	**52,464**	**1,378**	**2,744**	**56,586**
At 30 June 2021	53,400	1,092	-	54,492

Cumulative finance costs capitalised in prior years, excluding tax relief, included in the value of tangible fixed assets amount to £3,964,000 (2021: £3,964,000).

Assets under construction relates to the refurbishment and expansion of the training ground.

The net book value of land and buildings may be further analysed as follows:

	2022 £000	2021 £000
Long leasehold	**52,464**	53,400

Fixtures and equipment with a carrying value of £nil (2021: £373,000) are held under HP agreements.

Notes to the financial statements (continued)

14 Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 July 2021	69,946
Additions in year	167,911
At 30 June 2022	**237,857**
Net book value	
At 30 June 2022	**237,857**
At 30 June 2021	69,946

Subsidiary undertakings
The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Newcastle United Football Company Limited	England and Wales	Ordinary	100%	Professional football club
Newcastle United Enterprises Limited	England and Wales	Ordinary	100%	Dormant
St. James' Park Newcastle Limited	England and Wales	Ordinary	100%	Dormant
nufc.co.uk Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United 1892 Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Catering Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Employment Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Entertainment Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Group Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Licensing Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Promotions Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Publications Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Sports Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Sportswear Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Telecoms Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Television Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Ventures Limited	England and Wales	Ordinary	100%	Dormant
NUFC Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United FC Limited	England and Wales	Ordinary	100%	Dormant
Newcastle United Football Club Limited	England and Wales	Ordinary	100%	Dormant
The Football Channel Limited	England and Wales	Ordinary	100%	Dormant
Balmbra's Limited	England and Wales	Ordinary	100%	Dormant

The Group owns 100% of the ordinary share capital in each of its subsidiary undertakings.

All subsidiary undertakings are registered in, and operate in, England and Wales and have their registered offices at St James' Park, Newcastle upon Tyne, NE1 4ST.

Notes to the financial statements (continued)

15 Debtors

Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade debtors	**10,230**	7,625	**-**	-
Amounts owed by fellow subsidiary undertakings	**-**	108	**9,108**	**5,120**
Corporation tax	**132**	132	**-**	-
Other debtors	**8,101**	483	**-**	-
Prepayments and accrued income	**9,433**	6,277		-
	27,896	14,625	**9,108**	**5,120**

Amounts falling due after one year

	Group 2022 £000	Group 2021 £000	**Company 2021 £000**	Company 2021 £000
Trade debtors	**1,710**	**424**	**-**	-
Prepayments and accrued income	**1,957**	**1,428**	**-**	-
	3,667	**1,852**	**-**	-

Included within trade debtors are amounts totalling £3.8m (2021: £6.6m) relating to the consideration receivable for the sale of player registrations, including £1.7m (2021: £0.4m) expected to be recovered in more than twelve months.

The amount of debtors written back to the Consolidated Income Statement in the year was £27,000 (2021: £42,000 written off). The impairment included against debtors at the year end is £nil (2021: £39,000).

16 Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Obligations under finance leases and HP	**-**	77	**-**	**-**
Loan note owed to parent company (see note 27)	**-**	106,912	**-**	**-**
Term loan	**-**	4,964	**-**	**-**
Trade creditors	**58,741**	2,728	**-**	**-**
Taxation and social security	**5,169**	18,939	**-**	-
Other creditors	**1,904**	1,938	**1,233**	1,236
Accruals and deferred income	**71,646**	36,990	**-**	-
	137,460	172,548	**1,233**	1,236

Included within trade creditors above are amounts totalling £52.1m (2021: £nil) relating to consideration payable for player registrations.

Term loan of £5.0m at 30 June 2021 was secured against a promissory note due from another football club which is included in trade debtors (note 15). The loan incurred interest at a market value rate and was repaid in full in August 2021.

Notes to the financial statements (continued)

17 Creditors: amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade creditors	**22,570**	-	**-**	-
Accruals and deferred income	**6,442**	6,317		-
	29,012	6,317		-

Included within trade creditors above are amounts totalling £22.6m (2021: £nil) relating to consideration payable for player registrations.

Within accruals and deferred income is deferred income totalling £3.4m (2021: £3.6m) falling due after more than 5 years.

18 Provisions for liabilities

Group

	Deferred tax £000	Onerous employment contracts & other charges £000	Player registration £000	**Total £000**
At 30 June 2021	2,217	1,000	-	**3,217**
Provisions utilised/(released in) year	(2,217)	14,229	4,370	**16,382**
At 30 June 2022	-	15,229	4,370	**19,599**

The player registration provision represents contingent amounts payable under the terms of transfer agreements which are deemed probable to be paid over the period to 30 June 2027. The onerous employment contract provision is expected to be utilised over the period to 30 June 2025.

Notes to the financial statements (continued)

19 Deferred taxation

	30 June 2022 £000	30 June 2021 £000
At beginning of period	**(2,217)**	(3,515)
Credited to the Income Statement	**2,217**	1,298
At end of period	**-**	(2,217)

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Decelerated capital allowances	**1,898**	1,399
Tax losses carried forward	**14,879**	18,396
Intangible rollover	**(20,370)**	(22,765)
Other timing differences	**3,593**	753
	-	(2,217)

The group has cumulative tax losses, available to carry forward against future taxable profits, of £121m (2021: £74m) which gives rise to the tax losses carried forward deferred tax asset set out above.

20 Share capital

Shares classified as equity	**2022 £000**	2021 £000
Allotted, called up and fully paid		
133,107,124 (2021: 133,107,121) Ordinary shares of £0.05 each	**6,655**	6,655

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. During the year, the company issued 1 ordinary share for total consideration of £89,412,000 to extinguish debt (see notes 22 and 27) and 2 ordinary shares for total cash consideration of £78,500,000.

21 Reserves

Share premium
Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption
Following the re-purchase of shares by the company this is the nominal value of the re-purchased shares that are non-distributable to shareholders.

Capital contribution reserve
A capital contribution of £676,000 was received from the Public Investment Fund to meet the cost of the first team squad's warm weather training camp in Saudi Arabia in January 2022.

Retained earnings
Includes all current and prior period profits and losses.

Notes to the financial statements (continued)

22 Net debt reconciliation

	30 June 2021 £000	Cash flows £000	Other non-cash changes £000	**30 June 2022 £000**
Cash at bank and in hand	17,483	(12,426)	-	**5,057**
Obligations under finance leases and hire purchase contracts	(77)	77	-	**-**
Amounts owed to parent company	(106,912)	17,500	89,412	**-**
Term loan	(4,964)	5,000	(36)	**-**
Net debt	(94,470)	10,151	89,376	**5,057**

23 Contingent liabilities

Under the terms of certain contracts for the signing of players, additional amounts may become payable to other football clubs. The maximum unprovided liability which may arise in respect of these players at 30 June 2022 is £12.8m (30 June 2021: £10.3m). The Directors do not currently think that it is probable that such sums will be payable, on the basis that the qualifying criteria are not currently expected to be met.

In April 2017 HMRC attended certain Group premises and executed a search warrant. Subsequent to these events, Newcastle United Football Company Limited ("NUFCL") received claims from HMRC relating to alleged underpayment of tax and national insurance, and interest thereon. The amount that has been claimed by HMRC has been assessed by the Directors and an accrual has been made in the Group's financial statements. The amount accrued represents a best estimate at this time of the amount which may be payable. Appeals have been lodged against these assessments, and the matter remains in the hands of the Group's legal advisers.

In the opinion of the Directors, at this stage in the process, there is insufficient information available to enable them to make a reliable estimate of either the un-accrued amount of any liability which may ultimately arise in this regard, or when any such sums may become payable.

Notes to the financial statements (continued)

24 Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £195,000 (2021: £110,000).

Newcastle United Football Company Limited also 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. Newcastle United Football Company Limited 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 accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accrual. Newcastle United Football Company Limited pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

Newcastle United Football Company Limited currently pays total contributions of £78,000 per annum (2021: £73,000) and from September 2022 pays total contributions of £82,000 per annum.

As at 30 June 2022, based on an appropriate discount rate of 6.125% (2021: 6.125%) per annum, the present value of Newcastle United Football Company Limited's outstanding contributions (i.e. their future liability) is £169,000 (2021: £234,000). This amounts to £81,000 (2021: £78,000) due within one year and £88,000 (2021: £156,000) due after more than one year and is included within other payables.

25 Commitments under operating leases

At 30 June 2022 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Land and buildings		
Not later than 1 year	**639**	691
Between one and five years	**2,560**	2,596
After five years	**52,426**	53,724
	55,625	57,011

During the year £637,000,was recognised as an expense in the Consolidated Income Statement in respect of operating leases (2021: £633,000).

26 Capital commitments

At 30 June 2022, the Group had capital commitments to purchase property, plant and equipment for which no provision had been made of £1.9m (2021: £nil). The Company had no capital commitments (2021: £nil).

Notes to the financial statements (continued)

27 Related party transactions

Transactions between the Company and its group undertakings are not disclosed as permitted by Section 33 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

For the period 1 July 2021 – 7 October 2021 the ultimate controlling party was Mr M J W Ashley

During the period to 7 October 2021, matchday hospitality to the value of £44,000 (11 months to 30 June 2021: £nil) was provided to members of Mr M J W Ashley's family. The amount outstanding at 7 October 2021 was £27,000 and this amount was paid in full in November 2021. (30 June 2021: -£25,000).

In the period to 7 October 2021 the Group made sales of £nil (11 months to 30 June 2021: £253,000) and purchased goods to the value of £nil (11 months to 30 June 2021: £40,000) from Frasers Group plc and subsidiary companies, a group of companies controlled by Mr MJW Ashley. The balance owing at 7 October 2021 to the Group was £nil (30 June 2021: £108,000).

Mr M J W Ashley and companies under his control continued to provide loan facilities to the Group during the period up to 7 October 2021, at which point £17.5m of the debt was repaid and the remaining debt of £89.4m was assigned to the new owners and extinguished by the issue of one ordinary share for £89.4m to the new parent (30 June 2021: £106.9m). The maximum amount outstanding in the period was £106.9m. The loan was interest free and repayable on demand.

For the period 7 October 2021 – 30 June 2022 the ultimate controlling party was Public Investment Fund (PIF)

During the period from 7 October 2021 to 30 June 2022 fees of £937,500 were charged to the Group by Cantervale Limited for strategic advisory services provided to Newcastle United Football Company Limited. Cantervale Limited is a company controlled by A L Staveley, a director.

A capital contribution of £676,000 was received from the Public Investment Fund to meet the cost of the first team squad's warm weather training camp in Saudi Arabia in January 2022.

28 Subsequent events

After the year end the Group contracted for the purchase and sale of a number of players. The net cost of these transfers, excluding any contingent fees was £170m (2021: £112m).

Subsequent to the year end, further equity funding of £127.4m has been received. In addition, to support its working capital position, the Group has agreed a term loan facility of £50m and a revolving loan facility of £25m. Both facilities bear interest at market rates, are secured on Premier League Central Funds and Group ticket revenues, and run until July 2025. At the date of signing these account only the term loan facility is drawn down.

On 25 July 2022 the Group acquired 100% of the share capital of Newcastle United Women's Football Club Limited from Newcastle United Foundation for nominal consideration.

Notes to the financial statements (continued)

29 Ultimate parent undertaking and controlling parties

The immediate parent undertaking up to 7 October 2021, was St James Holdings Limited and the ultimate parent undertaking was MASH Holdings Limited. The ultimate controlling party was Mr MJW Ashley.

On 7 October 2021 an investment group led by the Public Investment Fund (PIF) and also comprising PCP Capital Partners and RB Sports & Media completed the acquisition of 100% of the share capital of Newcastle United Limited. The immediate parent undertaking is PZ Newco Limited and ultimate parent undertaking and ultimate controlling party is the Public Investment Fund.

The smallest group in which the results are consolidated is headed by NCUK Investment Limited, whose registered office is 8th Floor, 20 Farringdon Street, London, EC4A 4AB. The largest group in which the results are consolidated is the Public Investment Fund, which is established in Saudi Arabia.