Newcastle United Limited

Financial statements

For the year ended 30 June 2023

Company no 02529667

Company information

Company registration number:	02529667
Registered office:	St. James Park NEWCASTLE UPON TYNE NE1 4ST
Directors:	Y O Al-Rumayyan A A Alhagbani J A Reuben A M A Rezeeq A L Staveley
Bankers:	Barclays Bank PLC Barclays House 5 St Ann's Street Quayside NEWCASTLE UPON TYNE NE1 3DX HSBC UK Bank plc 2nd Floor Landmark St Peter's Square 1 Oxford Street Manchester M1 4BP Deutsche Bank AG 1 Great Winchester Street London EC2N 2DB
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 professional football clubs together with related and ancillary activities.

The Directors present the Group's strategic report for the year ended 30 June 2023.

The Group has made great progress over the 18 month period since its acquisition by the PIF led ownership group and these reports and accounts set out a brief summary of the on and off pitch investments made and the consequential football, revenue and operating improvements which have been realised.

The Directors report a loss after tax for the year of £73.4m (2022: £70.7m) arising mainly from continued investment in the playing squad partially offset by strong revenue growth. The team's 4th place Premier League finish, progression to the EFL Cup final, and growth across key sponsorship and commercial income streams contributed towards a profit of £20.1m before player amortisation costs (2022: loss of £26.4m). Player amortisation costs rose to £89.3m (2022: £51.1m) in line with the increased value of the playing squad. The ongoing implementation of the strategy set out in last year's report focusing on investing to improve the competitive position of the team has already started to improve the commercial revenues and overall financial performance of the Group and will, in the opinion of the Directors, continue to do so.

On the pitch, the men's team had an outstanding season, finishing 4th in the Premier League, securing UEFA Champions League group stage participation for season 2023-24. The team also reached the EFL Cup Final, the club's first appearance at Wembley since 1998-99. Defeat on the day, whilst disappointing for the club and all its supporters, does not detract from what was a very successful season. Average crowds at St James' Park, including 4 EFL Cup fixtures, exceeded 52,000– testament to the incredible support the team inspires.

Newcastle United Women, playing in their first season under Club ownership, secured promotion on the final day of their season, and will play in the FAWNL Northern Premier Division in 2023-24. This is an important first step in the development of the women's team.

Away from the pitch, 2022-23 saw further investment into the First Team Training Ground, work to upgrade hospitality and concourse facilities at St James' Park, and the purchase of land at Strawberry Place adjacent to St James Park which brings with it both short and long term commercial opportunities. This financial year also saw investment into the Club's staff and Executive team with Darren Eales being appointed as Chief Executive Officer, Peter Silverstone as Chief Commercial Officer and Simon Capper as Chief Financial Officer alongside Dan Ashworth who joined the Club in 2021/22 as Sporting Director. Overall employee numbers also continued to grow across all areas of the club (see note 7) as the Group expanded its operations to meet the enhanced performance standards being set.

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

	2023	**2022**	**Inc/(Dec)**
Turnover	£250.3m	£180.0m	£70.3m
Operating profit/(loss) before amortisation & impairment	£20.1m	(£26.4m)	£46.5m
Operating loss	(£66.5m)	(£71.7m)	£5.2m
Loss after tax	(£73.4m)	(£70.7m)	(£2.7m)
Staff costs to turnover ratio	74.1%	94.6%	(20.5%)
Cash at year end	£13.4m	£5.1m	£8.3m
Average home league attendance	52,205	51,487	718
League position	4th	11th	7

Financial overview

Turnover increased £70.3m (39%) from £180.0m to £250.3m, with significant increases across all the main revenue streams. An analysis by category is shown in Note 4 on page 30, with the principal movements explained below.

Group strategic report

- Match income increased £10.4m (38%) from £27.5m to £37.9m, with 7 cup fixtures played in the year (2021-22: 2) as the team progressed to the EFL Cup Final, an enhanced pre-season and mid-season programme and increased revenues from both seasonal and matchday hospitality
- Media income rose £41.4m (33%) from £124.1m to £165.5m. The merit award increased in line with the club's 4th place finish in the league (2021-22: 11th) and the number of live TV appearances increased to 26 (2021-22: 21).
- Commercial income increased £17.4m (66%) from £26.5m to £43.9m with growth in the club's main commercial partnerships income together with a number of events in the year – most notably the Diriyah Cup in Saudia Arabia in December 2022 and the two Sam Fender concerts at St James' Park in June 23.

Operating expenses for the year increased £23.9m (12%) to £230.2m (2022 £206.3m). The main components of those costs are as follows:

Staff costs increased £16.5m (10%) from £170.2m to £186.7m, the main factors being higher merit-based bonuses for the playing squad, team management and club staff as a result of the club's 4th place finish, along with the increase of c100 employees across the club (see note 7) as the build out continues across football operations, commercial teams, executive and central support functions.

Other operating expenses rose £6.4m (19%) from £33.7m to £40.1m, the majority of the increase being in line with increased revenues (see Match income and Commercial income above) and the development of departments across the club also referenced above.

The net effect of the above is an improvement in operating profit before player amortisation and impairment to £20.1m from a loss of £26.4m in 2022.

Amortisation increased by £37.1m from £49.7m to £86.8m, reflecting a full year impact of January 2022 player spend, together with additions in Summer 2022 and January 2023, including Trippier, Guimaraes, Burn, Pope, Isak Botman and Gordon. There were impairment charges of £2.5m in the year (2022: £1.4m).

Profit on disposal of players' registrations totalled £2.8m (2022: £5.8m).

The net interest cost increased £5.7m to £6.9m (2022: £1.2m). In July 2022, in order to support its working capital position, the Group agreed a term loan facility of £50m and a revolving loan facility of £25m with HSBC UK Bank Plc and Deutsche Bank AG, both of which bear interest at market rates. Utilisation of these facilities resulted in an interest charge of £3.7m (2022: £nil). In addition a net (notional) interest charge of £4.2m (2022: £1.1m) arose from the unwinding of the notional discounts on deferred player trading payments and receipts, the increase reflecting the increase in the Group's player acquisitions during the period.

The overall impact of all of the above, is a loss of £73.3m before tax, increasing to £73.4m after tax (2022: £72.9m before tax reducing to £70.7m after a taxation credit of £2.2m).

Net assets increased £54.0m to £160.1m at 30 June 2023 (30 June 2022: £106.1m):

- Intangible assets increased £63.2m to £262.2m (30 June 2022: £199.0m) as a result of the player acquisitions referenced above.
- Investment into the First Team Training Ground and the purchase of leasehold land at Strawberry Place of £12.4m accounted for the majority of the £23.4m tangible fixed asset additions.
- Net current liabilities reduced £36.4m to £65.8m at 30 June 2023 (2022: £102.1m) due to current assets increasing by £20.3m and current liabilities decreasing by £16.1m.
- Current assets increased mainly due to prepayments and accrued income due within one year increasing by £16.2m primarily due to increased accrued commercial and media revenue together with prepaid costs of the "We are Newcastle United" docuseries which was released post year end.
- Current liabilities reduced mainly due to a reduction in transfer fees payable within 12 months as contractual instalments on January and Summer 2022 player acquisitions were paid.
- The HSBC term loan facility taken out during the year, together with an increase in deferred transfer fee instalments are reflected in an increase in creditors falling due after more than one year to £107.7m (2022: £27.7m)

Group strategic report

- Provisions fell from £19.6m to £5.1m, being the net result of new provisions required, and amounts utilised and/or released during the year (see note 18)

Cashflow

The Group had a net cash inflow of £8.4m in the year (2022: net cash outflow of £12.4m). Cash received from the term loan of £50m (2022: £nil) and equity funding of £127.4m (2022: £78.5m) was invested mostly into purchases of intangible and tangible assets totalling £167.6m (2022: £78.1m). The year end cash balance was £13.4m (2022: £5.1m)

Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of all stakeholders in promoting the success of the Group and, in doing so, have regard to a range of matters in their decision making including:

- the likely long term consequences;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the reputation for a high standard of business conduct; and
- the need to act fairly as between members of the Group

The Board schedules at least 4 meetings a year and additional meetings are held as required to approve transactions with short timescales. Four standing committees were formed in August 2022 : Nomination and Remuneration, Executive, Football, and Audit, Risk and Compliance. The Board has delegated certain powers and responsibilities to each of these committees. Decision making powers across the Group are defined in a formal Delegation of Authority framework, and the Club's Executive, Commercial, Finance and Legal teams have weekly calls with various representatives of the ownership groups to facilitate the appropriate governance over decision making.

The Directors have identified the Group's key stakeholder groups - Local, national and international supporters, Employees, Community, Business Partners and Shareholders– and understand their duty to each.

Supporters

Newcastle United's supporters are at the centre of everything the Club does. The Club is committed to collaborative, constructive and consistent engagement with supporters, wherever they may be, ensuring fans have an opportunity to inform the club's decision-making at all levels. The Club has worked in consultation with fans to deliver several initiatives over the past 12 months to improve the supporter experience at St. James' Park. This includes the introduction, for season 2023-24, of licensed safe standing following a supporter consultation process. This process included more than 4,000 fans responding to an online survey and 70 fans attending a subsequent working group. Digital ticketing has also been introduced to bring St James' Park in line with other world class arenas, along with ticket ballots for season tickets holders and members to give greater matchday access for a wider range of fans. The Club has announced plans for a fan zone at Strawberry Place. Monthly meetings with individual supporters and groups including Newcastle United Supporter Trust (NUST) and Newcastle United Disabled Supporters Association (NUDSA) continue to be held and the Club will begin recruitment for its Fan Advisory Board (FAB) member positions in September 2023, with the first FAB meeting expected to be held in January 2024. The Club also is developing its international fan base with a process of recognising and engaging with international fan groups.

Employees

Newcastle United's success is built on the hard work, passion, collaboration and self-discipline of our people and it is these values which make us the organisation that we are. Our commitment to our employees is to ensure our values guide all parts of our employee journey through recruitment, induction, development, progression and recognition.

Group strategic report

We strive to be inclusive, supportive and trusted and engage with our employees through regular events, internal communications, our Employee Forum and values-based recognition. Our focus on wellbeing includes access to healthcare services, independent counselling and wellbeing resources as well as working with partner agencies. We pay at least Real Living Wage rates to all employees and workers and our total reward offer is independently benchmarked to ensure fairness and consistency, and to aid attraction and retention.

We get that we are better together, and we work to create a culture in which everyone can be their authentic self and be and feel at their best, putting our family at the heart of all that we do.

Community

Newcastle United is uniquely a club at the heart of its community and plays 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 2022/23 worked with over 80,000 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 Foundation and community programmes and the club works closely with supporter groups, who are part of the Newcastle United family.

United as One is the Club's Equality, Diversity and Inclusion brand and through this we deliver on our EDI commitments. We actively seek out new additions to our Newcastle United family to enable us to enhance our diversity and to better reflect the communities we serve. We work with a broad range of partners, supporter and community groups in the EDI space and recently hosted Unite for Access, Show Racism the Red Card and Iftar events at our Stadium. We are proud signatories to the Football Leadership Diversity Code and have achieved the Premier League's Equality, Diversity and Inclusion standard at Intermediate Level.

Business relationships

The Club recognises the importance of strong business relationships with its suppliers and other stakeholders, and also the need to be seen to be upholding high standards of compliance and business conduct. Newcastle United has historically had strong local business relationships which it continues to value, and is now building a commercial team who will continue to develop the relationships which are vital in supporting its global ambitions. The club has relationships with commercial and business partners at local and national levels which it values and continues to develop and intends to also grow at an 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. The Club continues 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 has recently launched its own Business Club, which will give organisations the opportunity to establish closer links with the club.

Group strategic report

Streamlined Energy and Carbon Reporting (SECR)

The Club is committed to ensuring all activities are managed in a sustainable way and with minimal environmental impact.
As part of the annual Streamlined Energy and Carbon Reporting (SECR) requirements the following table details the carbon emissions used per scope area (full scope 3 emission calculation is not necessary for SECR but is currently being calculated and will be available for future reports).

	Year ended 30 June 2023		Year ended 30 June 2022	
	Energy Usage (kWh)	Greenhouse Gas Emissions (tCO2e)	Energy Usage (kWh)	Greenhouse Gas Emissions (tCO2e)
Scope 1 – Direct GHG Emissions				
Gas consumption	10,805,638	1,973	10,669,493	1,954
Transport consumption	376,138	91	273,772	66
Scope 2 – Energy Indirect Emissions				
Purchased Electricity consumption	6,840,313	1,323	6,695,039	1,422
Scope 3 – Other Indirect Emissions				
Business Travel in rental cars/vans and employee owned vehicles	248,347	58	180,764	42
Total	**18,270,436**	**3,445**	**17,819,068**	**3,484**
Emissions Intensity Ratio (tCO2e per £1m turnover)	13.76		19.38	

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

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 2022 were used in the conversion of transport and other fuels into kWh and CO2e.

The data confirms the highest consuming area is St James' Park, with this totalling 82.96% of the overall tCO2e emissions. This year, the Group has continued with LED lighting upgrades and energy efficiency measures across all its sites. An example of the measures taken is the installation of variable speed drive (VSD) onto an air handling unit (AHU) with a commitment for more energy efficient boiler upgrades. These measures will have the desired impact of reducing Scope 2 emissions.

Following the appointment of a new sustainability manager in January 2023 the Club has entered an exciting phase in its sustainability journey. The key activities which have taken place during this reporting period are detailed below:

- Commenced the measurement of the Clubs carbon footprint, including Scope 1, 2 and 3 emissions to develop a clear Net Zero emissions roadmap within an achievable timescale.
- Continued to support the 'Magpie Mover' ticket which provides season ticket holders with heavily subsidised match day travel on the Tyne & Wear Metro, bus and ferry. This commitment to sustainable travel is essential to reduce the Club's carbon footprint for match day travel.
- Investments to improve waste management on site and increase the amount of waste recycled. Additional recycling bins have been purchased for office spaces. A new cardboard baler provides the opportunity to bale cardboard on site which can then go directly to the papermill for reprocessing and generates a revenue through recycling. In addition, a new compactor has been purchased to increase the amount of waste compacted on site and reduce the frequency of collections, therefore reducing the Clubs carbon impact.
- 'Meat free Monday' staff lunches have been introduced and plant-based options are now available at all events and match days.
- Installation of a living wall to improve air quality within an internal office space.
- Appointed expert consultants to produce a Biodiversity Action Plan to identify opportunities to enhance biodiversity.
- Signed up to the UN Sports for Climate Change Action Framework.

Group strategic report

Principal risks and uncertainties

There are a number of key business risks and uncertainties which could materially impact on the Group's performance. The Board regularly reviews and monitors these risks and the actions required to manage and/or mitigate them:

- Football performance: membership of the Premier League is hugely important for the Group's revenue and cash generation and poor league performance, or relegation from the league for any prolonged period of time, will severely impact all the Group's major income streams. Qualification for UEFA Competitions has a significant impact on the Club's income and costs in season where participation is achieved.
- Retention and recruitment of playing staff and other key employees in what is a highly competitive domestic and international market.
- Unavailability of key playing staff for any prolonged period of time through injury, illness or suspension.
- Football Governance: the club is governed by the rules and regulations of the FA, PL, EFL, UEFA and FIFA in areas such as competition formats, revenue distribution, Profitability and Sustainability, eligibility of players and operation of the transfer market, and changes to any of these could significantly impact the club. The Group monitors its compliance with all applicable rules and regulations and the likely impacts of any potential changes.
- Negotiation of key commercial contracts – including Premier League and UEFA 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 (particularly the purchase and sale of player's registrations) are subject to currency fluctuations.
- Liquidity risk around the Group's working capital inflows and outflows is managed through preparation, regular review and update of financial forecasts, including stress testing for material items. The Group monitors compliance with the terms and conditions and financial covenants of its bank facilities on a continuous basis.

Future Outlook

As previously noted the Group and its shareholders have committed to a strategic plan with an ambitious investment programme to deliver sustained success and profitability. The impact on the Club in the 23/24 financial year will include:

- Football Performance: The men's team currently sits in the top half of the Premier League and are engaged in the Group stages of the UEFA Champions League. UCL Group stage participation is expected to yield at least £37m in revenue for the Club. Should the Club qualify for the knockout rounds of either the UCL or the UEL further revenue would accrue.
- Newcastle United Women ("NUW") – the decision was taken in the summer to transition the Club to become full time professional. This sizeable investment is being made to enhance the probability of promotion in the current season. NUW currently sits in the top half of the FAWNL Northern Premier Division.
- Commercial Revenue: The Club has announced Sela, a major international events company, as its new front of shirt sponsor for season 23/24 onwards as well as renewing its 22/23 deal with Noon for 2 further seasons as sleeve sponsor. The Club has also announced a new deal with Adidas, who are returning as the main technical kit partner of the club from June 24, a deal which is expected to generate significantly enhanced revenue.
- The Group has commenced a study in relation to St James' Park which is examining a range of options in relation to the enhancement or expansion of the Stadium. This is an early step on a long term project to enhance the infrastructure of the Club.
- The Group is progressing the development of a Fanzone on the Strawberry Place site which is hoped will open in Spring 2024, trading as 'St James' Park STACK, powered by Sela'.

Group strategic report

This report was approved by the board on 7 December 2023 and signed on its behalf.

Y O Al-Rumayyan
Director

Directors' report

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

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 2023 (2022: £nil).

Directors

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

Y O Al-Rumayyan
A A Alhagbani (appointed 23 February 2023)
J A Reuben
A M A Rezeeq (appointed 23 February 2023)
A L Staveley
M Al Sorour (resigned 14 December 2022)

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 £525,000 including an amount payable to Newcastle United Foundation in respect of bonuses for Foundation staff (2022: £646,000). There were no political contributions (2022: £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.

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 £124m (2022: £170m).

Subsequent to the year end, on 22 August 2023, Newcastle United Limited issued 1 ordinary share in respect of £60m further equity funding.

Directors' report (continued)

Going concern

Detailed cash flow forecasts have been prepared for the period until 30 June 2025 to undertake an assessment of the Group's going concern status.

The Group has 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 2025. 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 7 December 2023 and signed on its behalf.

Y O Al-Rumayyan
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 2023 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 2023 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 and reviewing, challenging and corroborating accounting judgements and estimates, especially those matters set out in note 3 to the financial statements.

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

7 December 2023

Consolidated statement of comprehensive income

	Note	2023 £000	2022 £000
Turnover	4	**250,265**	179,986
Operating expenses before amortisation and impairment		**(230,215)**	(206,343)
Operating profit/(loss) before amortisation and impairment		**20,050**	(26,357)
Amortisation and impairment of players' registrations	12	**(89,343)**	(51,139)
Operating loss before profit on disposal of players' registrations		**(69,293)**	(77,496)
Profit on disposal of players' registrations		**2,836**	5,832
Operating loss	5	**(66,457)**	(71,664)
Interest receivable and similar income	9	**617**	186
Interest payable and similar expenses	10	**(7,490)**	(1,389)
Loss before tax		**(73,330)**	(72,867)
Taxation	11	(91)	2,217
Loss and total comprehensive income for the year		**(73,421)**	(70,650)

The notes on pages 20 - 42 form part of these financial statements.

Consolidated statement of financial position

	Note	£000	2023 £000	£000	2022 £000
Fixed assets					
Intangible assets	12		**262,180**		198,975
Tangible assets	13		**76,553**		56,586
			338,733		255,561
Current assets					
Stocks		**34**		28	
Debtors: amounts falling due within one year	15	**42,490**		27,896	
Debtors: amounts falling due after one year	15	**972**		3,667	
Cash at bank and in hand		**13,424**		5,057	
		56,920		36,648	
Creditors: amounts falling due within one year	16	**(122,704)**		(138,793)	
Net current liabilities			**(65,784)**		(102,145)
Total assets less current liabilities			**272,949**		153,416
Creditors: amounts falling due after more than one year	17		**(107,716)**		(27,679)
Provisions for liabilities	18		**(5,116)**		(19,599)
Net assets			**160,117**		106,138
Capital and reserves					
Called up share capital	20		**6,655**		6,655
Share premium account	21		**364,256**		236,856
Capital redemption reserve	21		**831**		831
Capital contribution reserve	21		**676**		676
Retained earnings	21		**(212,301)**		(138,880)
			160,117		106,138

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2023.

Y O Al-Rumayyan
Director

The notes on pages 20 - 42 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 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**

	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 2022	6,655	236,856	831	676	(138,880)	106,138
Loss for the year	-	-	-	-	(73,421)	(73,421)
Shares issued in year	-	127,400	-	-	-	127,400
At 30 June 2023	**6,655**	**364,256**	**831**	**676**	**(212,301)**	**160,117**

Company statement of financial position

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Investments	14		**365,257**		237,857
Current assets					
Debtors: amounts falling due within one year	15	**10,018**		9,108	
Cash at bank and in hand		**-**		900	
		10,018		10,008	
Creditors: amounts falling due within one year	16	**(1,233)**		(1,233)	
Net current assets			**8,785**		8,775
Total assets less current liabilities			**374,042**		246,632
Net assets			**374,042**		246,632
Capital and reserves					
Called up share capital	20		**6,655**		6,655
Share premium account	21		**364,256**		236,856
Capital redemption reserve	21		**831**		831
Retained earnings	21		**2,300**		2,290
			374,042		246,632

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 £10,000 (2022: £nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2023.

Y O Al-Rumayyan
Director

The notes on pages 20 – 42 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 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**

	Called up share capital	Share premium account	Capital redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 July 2022	6,655	236,856	831	2,290	246,632
Profit for the year	-	-	-	10	10
Shares issued in year	-	127,400	-	-	127,400
At 30 June 2023	**6,655**	**364,256**	**831**	**2,300**	**374,042**

Consolidated statement of cash flows

	2023 £000	2022 £000
Cash flow from operating activities		
Loss for the financial year	**(73,421)**	(70,650)
Adjustments for:		
Amortisation & impairment of intangible assets	**89,343**	51,139
Depreciation of tangible assets	**3,425**	2,518
Profit on disposal of intangible assets	**(2,836)**	(5,832)
Interest payable	**7,490**	1,389
Interest receivable	**(617)**	(186)
Taxation charge/(credit)	**91**	(2,217)
Grants	**(87)**	(87)
Increase in capital contribution reserve	**-**	676
Increase in stocks	**(6)**	(28)
Increase in debtors	**(12,945)**	(17,921)
(Decrease)/increase in creditors	**(1,957)**	26,660
(Decrease)/increase in provisions	**(12,193)**	14,229
Taxation received	**132**	-
Net cash used in operating activities	**(3,581)**	(310)
Cash flows used in investing activities		
Purchase of intangible fixed assets	**(144,232)**	(74,430)
Sale of intangible assets	**4,448**	10,072
Purchase of tangible fixed assets	**(23,330)**	(3,663)
Interest received	**421**	1
Net cash used in investing activities	**(162,693)**	(68,020)
Cash flows from financing activities		
Share capital issued	**127,400**	78,500
New loans	**50,000**	-
Repayment of existing loans	**-**	(22,500)
Repayments of obligations under finance leases and hire purchase	**-**	(77)
Interest paid (including loan arrangement fees)	**(2,759)**	(19)
Net cash from financing activities	**174,641**	55,904
Net increase/(decrease) in cash and cash equivalents	**8,367**	(12,426)
Cash and cash equivalents at beginning of year	**5,057**	17,483
Cash and cash equivalents at the end of year	**13,424**	5,057

The notes on pages 20 - 42 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.

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

Detailed cash flow forecasts have been prepared for the period until 30 June 2025 to undertake an assessment of the Group's going concern status.

The Group has 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 2025. 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 straightline basis, or over the period of the football season, as appropriate based on the terms of the contract. Contingent revenue is recognised when the relevant performance conditions are satisfied. 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, research and development expenditure tax credits 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 Group, the player is now considered permanently to no longer be a 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 the Group considers it 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:

Leasehold land and buildings	-	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.

Notes to the financial statements (continued)

2 Accounting policies (continued)

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 outright 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 consolidated financial statements are presented in GBP, which is also the functional currency of the company.

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. The scheme is in deficit and the Group has formally agreed to participate in a deficit funding arrangement accordingly 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.

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 Group considers 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 Group 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 Group's 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 £2.5m (2022: £1.4m) 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's revenue is derived from the operation of professional football clubs together with related and ancillary activities. It operates in one geographical segment, the United Kingdom and accordingly no additional geographical segment information is required to be provided.

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 research and development expenditure tax credits, grant income and international fees.

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

	2023	2022
	£000	£000
Matchday	**37,914**	27,529
Media	**165,485**	124,111
Commercial	**43,915**	26,545
Other income	**2,951**	1,801
	250,265	179,986

All turnover arose within the United Kingdom.

5 Operating loss

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

	2023	2022
	£000	£000
Other operating income – release of capital grants	**(87)**	(87)
Depreciation and other amounts written off tangible fixed assets:		
- owned and long leasehold	**3,425**	2,518
Amortisation of intangible assets	**86,811**	49,721
Impairment of intangible assets	**2,532**	1,418
Operating lease payments	**696**	637
Foreign exchange losses	**845**	1,116

Notes to the financial statements (continued)

6 Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**95**	63
Fees payable to the Group's auditor and its associates in respect of:		
Audit-related regulatory reporting	**10**	7

7 Employees

Staff costs were as follows:

	2023 £000	2022 £000
Wages and salaries	**164,800**	149,225
Social security costs	**21,532**	20,783
Other pension costs	**347**	196
	186,679	170,204

The total staff costs including directors' remuneration for the company was nil (2022: £nil).

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

	2023 No.	2022 No.
Playing squads, academy, team management and support	**210**	165
Business operations	**200**	143
	410	308

In addition, the Group employed an average of 470 matchday stewards (2022: 381).

The average monthly number of employees, including the Directors, for the company was nil (2022: nil).

Total compensation of key management personnel for the year amounted to £3.5m (2022:£1.4m). Key management includes Directors and members of senior management.

8 Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	**7**	1,001

One director received taxable benefits in kind in the year (2022: 1 director received basic salary up to 7 October 2021 and compensation of £934,000 for loss of office). Remuneration of the highest paid director amounted to £7,000 (2022: £1,001,000).

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

Notes to the financial statements (continued)

9 Interest receivable and similar income

	2023 £000	2022 £000
Bank interest receivable	**515**	-
Unwinding of discount on deferred payments for players' registrations	**102**	186
	617	186

10 Interest payable and similar expenses

	2023 £000	2022 £000
Term loan interest payable	**3,715**	36
Interest payable on multi employer pension scheme	**8**	12
Interest payable on hire purchase contracts and finance leases	**-**	6
Unwinding of discount on deferred payments for players' registrations	**4,255**	1,278
Other interest payable	**(488)**	57
	7,490	1,389

Notes to the financial statements (continued)

11 Taxation

	2023	2022
	£000	£000
Current tax		
Corporation tax	91	-
Deferred tax		
Origination and reversal of timing differences	-	(2,217)
Total tax charge/(credit) for the year	91	(2,217)

Factors affecting tax charge/(credit) for the year
The tax assessed for the year differs from the applicable rate of corporation tax in the UK of 20.5% (2022: 19%). The differences are explained below:

	2023	2022
	£000	£000
Loss before tax	**(73,330)**	(72,867)
Loss before tax multiplied by the applicable rate of corporation tax in the UK of 20.5% (2022: 19%)	**(15,033)**	(13,845)
Effects of:		
Expenses not deductible for tax purposes	**639**	471
Tax rate adjustments	**-**	(541)
Other timing differences	**5,268**	2,665
Losses carried forward unrecognised	**9,126**	9,007
Adjustments to tax charge in respect of prior periods	**91**	26
Total tax charge/ (credit) for the year	**91**	(2,217)

The UK tax rate increased from 19% to 25% from 1 April 2023. The deferred tax provision as at 30 June 2023 has been calculated using the tax rate of 25% (2022: 25%).

Notes to the financial statements (continued)

12 Intangible assets

Group

	Players' registrations £000
Cost	
At 30 June 2022	354,215
Additions	153,011
Disposals	(34,941)
At 30 June 2023	472,285
Amortisation and impairment	
At 30 June 2022	155,240
Charge for the year	89,343
On disposals	(34,478)
At 30 June 2023	210,105
Net book value	
At 30 June 2023	**262,180**
At 30 June 2022	**198,975**

The intangible asset that is material to the financial statements is the first team squad. The carrying value of the squad is £262.2m with a remaining amortisation period of 1-5 years. The amortisation charge for the current squad over this period will be;

2023/24 - £87.3m
2024/25 - £71.4m
2025/26 - £53.3m
2026/27 - £31.3m
2027/28 - £18.9m

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 2022	98,699	8,559	2,744	110,002
Additions & reclassifications	19,915	6,221	(2,744)	23,392
Disposals	-	-	-	-
At 30 June 2023	118,614	14,780	-	133,394
Depreciation				
At 30 June 2022	46,235	7,181	-	53,416
Charge for the year	2,182	1,243	-	3,425
Eliminated on disposal	-	-	-	-
At 30 June 2023	48,417	8,424	-	56,841
Net book value				
At 30 June 2023	**70,197**	**6,356**	**-**	**76,553**
At 30 June 2022	52,464	1,378	2,744	56,586

Cumulative finance costs capitalised in prior years, excluding tax relief, included in the value of tangible fixed assets amount to £3,964,000 (2022: £3,964,000).

The net book value of land and buildings is all long leasehold.

Notes to the financial statements (continued)

14 Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 July 2022	237,857
Additions in year	127,400
At 30 June 2023	**365,257**
Net book value	
At 30 June 2023	**365,257**
At 30 June 2022	237,857

Subsidiary undertakings

Name	Class of shares	Holding	Holding	Principal activity
Newcastle United Football Company Limited	Ordinary	Direct	100%	Professional football club
Newcastle United Football Club Projects Limited	Ordinary	Indirect	100%	Property ownership and development
Newcastle United Women's Football Club Limited	Ordinary	Indirect	100%	Professional women's football club
Maltings Pictures Limited	Ordinary	Indirect	100%	Film production
Newcastle United Enterprises Limited	Ordinary	Direct	100%	Dormant
St. James' Park Newcastle Limited	Ordinary	Direct	100%	Dormant
nufc.co.uk Limited	Ordinary	Direct	100%	Dormant
Newcastle United 1892 Limited	Ordinary	Direct	100%	Dormant
Newcastle United Catering Limited	Ordinary	Direct	100%	Dormant
Newcastle United Employment Limited	Ordinary	Direct	100%	Dormant
Newcastle United Entertainment Limited	Ordinary	Direct	100%	Dormant
Newcastle United Group Limited	Ordinary	Direct	100%	Dormant
Newcastle United Licensing Limited	Ordinary	Direct	100%	Dormant
Newcastle United Promotions Limited	Ordinary	Direct	100%	Dormant
Newcastle United Publications Limited	Ordinary	Direct	100%	Dormant
Newcastle United Sports Limited	Ordinary	Direct	100%	Dormant
Newcastle United Sportswear Limited	Ordinary	Direct	100%	Dormant
Newcastle United Telecoms Limited	Ordinary	Direct	100%	Dormant
Newcastle United Television Limited	Ordinary	Direct	100%	Dormant
Newcastle United Ventures Limited	Ordinary	Direct	100%	Dormant
NUFC Limited	Ordinary	Direct	100%	Dormant
Newcastle United FC Limited	Ordinary	Direct	100%	Dormant
Newcastle United Football Club Limited	Ordinary	Direct	100%	Dormant
The Football Channel Limited	Ordinary	Direct	100%	Dormant
Balmbra's Limited	Ordinary	Direct	100%	Dormant

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

All subsidiary undertakings were incorporated 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 2023 £000	Group 2022 £000	**Company 2023 £000**	Company 2022 £000
Trade debtors	**4,962**	8,099	**-**	-
Amounts owed by fellow subsidiary undertakings	**-**	-	**10,018**	9,108
Transfer fees receivable	**2,828**	2,131	**-**	-
Corporation tax	**-**	132	**-**	-
Other debtors	**9,083**	8,101	**-**	-
Prepayments and accrued income	**25,617**	9,433	**-**	-
	42,490	27,896	**10,018**	9,108

Amounts falling due after one year

	Group 2023 £000	Group 2022 £000	**Company 2023 £000**	Company 2022 £000
Transfer fees receivable	**36**	**1,710**	**-**	-
Prepayments and accrued income	**936**	**1,957**	**-**	-
	972	**3,667**		-

Gross transfer fees receivable before discounting are £2,878,000 (2022: £3,957,000). Transfer fees receivable disclosed in the tables above are net of a present value adjustment of £14,000 (2022: £116,000).

The amount of debtors written off to the Consolidated Income Statement in the year was £8,000 (2022: £27,000 written off). The impairment included against debtors at the year end is £nil (2022: £ nil).

Notes to the financial statements (continued)

16 Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	**10,631**	8,770	**-**	-
Transfer fees payable	**32,705**	51,304	**-**	-
Taxation and social security	**16,523**	5,169	**-**	-
Other creditors	**1,877**	1,904	**1,233**	1,233
Accruals and deferred income	**60,968**	71,646	**-**	-
	122,704	138,793	**1,233**	1,233

Gross transfer fees payable before discounting are £33,104,000 (2022: £52,087,000). Transfer fees payable disclosed in the table above are stated net of a present value adjustment of £399,000 (2022: £783,000).

In the 2022 accounts, transfer fees payable within one year were stated net of a present value adjustment of £2,116,000, with no adjustment made to transfer fees payable after more than one year. The comparatives in this note and in note 17 have been restated to correctly apportion this adjustment, resulting in creditors due within one year increasing by £1,333,000 and creditors due after more than one year decreasing by the same amount.

17 Creditors: amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Term loan	**49,451**	-	**-**	-
Transfer fees payable	**47,216**	21,237	**-**	-
Accruals and deferred income	**11,049**	6,442	**-**	-
	107,716	27,679	**-**	-

Gross transfer fees payable before discounting are £51,467,000 (2022: £22,570,000). Transfer fees payable disclosed in the table above are stated net of a present value adjustment of £4,251,000 (2022: £1,333,000).

Within accruals and deferred income is deferred income totalling £2.9m (2022: £3.4m) falling due after more than 5 years.

The term loan is a £50m facility (disclosed net of unamortised arrangement fees) from HSBC. The Club also holds a £25m revolving working capital facility which was undrawn on 30 June 23. These facilities are in place until July 2025, when the term loan is repayable in full, and bear interest at SONIA + 2.9% and are secured by the assignment of Premier League Central distributions and Group ticketing revenues and a floating charge over the assets of the Group.

Notes to the financial statements (continued)

18 Provisions for liabilities

Group

	Deferred tax £000	Onerous employment contracts £000	Player registration £000	**Total £000**
At 30 June 2022	-	15,229	4,370	**19,599**
Provisions made in year	-	-	2,080	**2,080**
Provisions utilised/(released in) year	-	(12,193)	(4,370)	**(16,563)**
At 30 June 2023	-	3,036	2,080	**5,116**

The player registration provision represents contingent amounts payable under the terms of transfer agreements which are expected to be paid over the period to 30 June 2025. The onerous employment contract provision is expected to be utilised over the period to 30 June 2024.

19 Deferred taxation

	2023 £000	2022 £000
At beginning of period	**-**	(2,217)
Credited to the Income Statement	**-**	2,217
At end of period	**-**	-

The unprovided deferred taxation balance is made up as follows:

	2023 £000	2022 £000
Fixed asset timing differences	**(11,311)**	(18,472)
Tax losses carried forward	**41,400**	30,300
Other timing differences	**3,093**	4,704
	33,182	16,532

The group has cumulative tax losses, available to carry forward against future taxable profits, of £166m (2022: £121m) which gives rise to the tax losses carried forward deferred tax asset set out above.

20 Share capital

Shares classified as equity	**2023 £000**	2022 £000
Allotted, called up and fully paid		
133,107,126 (2022: 133,107,124) 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 2 ordinary shares for cash consideration of £127,400,000.

Notes to the financial statements (continued)

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.

22 Net debt reconciliation

	30 June 2022	Cash flows	Other non-cash changes	**30 June 2023**
	£000	£000	£000	**£000**
Cash at bank and in hand	5,057	8,367	-	**13,424**
Term loan	-	(49,202)	(249)	**(49,451)**
Net debt	5,057	(40,835)	(249)	**(36,027)**

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 2023 is £23.5m (30 June 2022: £12.8m). The Group does 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.

Newcastle United Football Company Limited ("NUFCL") received assessments from HMRC relating to alleged underpayment of tax and national insurance, and interest thereon arising from HMRC activity prior to 2017. The Group has appealed against these assessments and made a cash payment which halted the further possible accrual of interest on any outstanding amounts. The amount that has been claimed by HMRC has been assessed and an accrual has been made in the Group's financial statements. The amount provided agrees to the most recent offer received from HMRC to settle the dispute along with an estimate of associated costs of settlement. The matter remains in the hands of the Group's legal advisers.

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 £347,000 (2022: £195,000).

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 £82,000 per annum (2022: £78,000) which will increase to £86,000 per annum from September 2023.

As at 30 June 2023, based on an appropriate discount rate of 6.125% (2022: 6.125%) per annum, the present value of Newcastle United Football Company Limited's outstanding contributions (i.e., their future liability) is £96,000 (2022: £169,000). This amounts to £85,000 (2022: £81,000) due within one year and £11,000 (2022: £88,000) due after more than one year and is included within other payables.

25 Commitments under operating leases

At 30 June 2023 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£000	£000
Land and buildings		
Not later than 1 year	**696**	639
Between one and five years	**2,782**	2,560
After five years	**55,909**	52,426
	59,387	55,625

The commitments above relate to annual payments due under leases with expiry dates ranging from 2097-2126.

During the year £696,000 was recognised as an expense in the Consolidated Income Statement in respect of operating leases (2022: £637,000).

26 Capital commitments

At 30 June 2023, the Group had capital commitments to purchase property, plant and equipment for which no provision had been made of £4.8m (2022: £1.9m). The Company had no capital commitments (2022: £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".

The Group recognised commercial revenue in the year of £6,710,000 (2022: £nil) from fellow subsidiary and associated undertakings of the Public Investment Fund ("PIF"), the Company's ultimate parent undertaking, of which £4,277,000 was not invoiced in the year and thus is included in accrued income at 30 June 2023 (2022: £nil). £500,000 of the invoiced amounts was outstanding as at 30 June 2023 (30 June 2022: £nil).
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 the prior year.

Fees of £312,500 were charged to the Group by Cantervale Limited for strategic advisory services provided to Newcastle United Football Company Limited (2022: £937,500). The balance owed by the Group at 30 June 2023 was £nil (30 June 2022 : £nil). Cantervale Limited is a company controlled by A L Staveley, a director.

The Group has also paid £625,000 to Cantervale Limited during the year which will be refunded subsequent to the balance sheet date and is included in Note 15 within 'Other debtors'.

On 7 November 2022 a loan of £600,000 was made to A L Staveley in respect of certain legal fees. The loan is interest free and remained outstanding at 30 June 2023 (2022: £nil). Subsequent to the year end, a further loan of £659,056 was made on 31 August 2023.

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 £124m (2022: £170m).

On 22 August 2023, the Company issued 1 ordinary share to PZ Newco Limited in consideration for £60m funding provided.

29 Ultimate parent undertaking and controlling party

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 and whose financial statements are available online.