MILLWALL HOLDINGS PLC

Registered Number: 2355508

Report and Accounts
for the year ended
30 June 2021

Contents

Directors and Advisers

DIRECTORS
John G Berylson (Non-Executive Chairman)
James T Berylson (Non-Executive)
Peter Garston (Non-Executive)
Constantine Gonticas (Non-Executive)
Trevor Keyse (Non-Executive)
Demos Kouvaris (Non-Executive)
Richard S Press (Non-Executive)
Stephen Kavanagh (Chief Executive)

SECRETARY
Mark Fairbrother

REGISTERED OFFICE
The Den
Zampa Road
London SE16 3LN
Registered no. 2355508

INDEPENDENT AUDITORS
BDO LLP
55 Baker Street
London W1U 7EU

SOLICITORS
Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn Passage
London EC4A 1BL

PRINCIPAL BANKERS
Barclays Bank plc
Corinthian House
17 Lansdowne Road
Croydon
Surrey CR0 2BX

REGISTRARS AND TRANSFER OFFICE
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Strategic Report

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

Business review
During the season under review, 2020/21, which was the Club's fourth consecutive season in the Sky Bet Championship ("the Championship"), the second tier of English football. The Club enjoyed a strong season, despite the challenges of the COVID-19 pandemic. Although the total points gained of 62 for the season was 6 short of the 2019/20 season, an 11th place finish was achieved, as well as progression to the fourth round of the FA Cup and third round of the EFL Carabao Cup.

As with the latter stages of the 2019/20 campaign, the 2020/21 season has been one of major disruption caused by the COVID-19 pandemic. During the financial year to 30 June 2021, the remaining five games of the previous season were completed due to the delay in completion of the previous season caused by the first UK wide lockdown. Going into the start of the 2020/21 season, plans were put in place to deal with further localised disruption expected due to the pandemic, however with the ongoing local restrictions coupled with two additional national lockdowns, this resulted in almost the entire season being played without fans at The Den. Only two games were held at the Den with fans able to attend during the whole season, with numbers capped at 2,000 for the Derby County and Queens Park Rangers fixtures.

The number of senior players in the squad remains at a low number compared to other clubs in the Championship. The total number of players utilised was similar to the previous season, at 25 players (2019/20: 27).

The philosophy of giving homegrown players from the Club's Youth Academy the opportunity to be promoted into the first team continues to pay dividends. Of the 41 current contracted players, some 18 have come through the Club's Youth Academy. During the season, two Academy players made their debut for the senior team and two others appeared on the substitutes' bench. The Club continues to invest in its Youth Academy with a Category 2 status in the Elite Player Performance Plan scheme. More about the importance of the Youth Academy is set out under Prospects below.

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

Results
The consolidated statement of comprehensive income is set out on page 13.

Revenue for the year at £12.4m (2020: £16.4m) is a decrease of 24.4% (2020: 10.6% increase). The decrease versus the prior year is almost wholly attributable to the impact of the COVID-19 pandemic, which has had a material impact on matchday revenues. Total matchday revenue has fallen by 67%, from £4.4m in 2019/20 to £1.4m in 2020/21. During the season a total of 4,000 fans were able to attend home fixtures at The Den, with a further small number allowed for three beamback games in the early part of the season in line with the UK Government regulations at that time. This compares to around 250,000 fans attending the previous season, which itself was impacted by the spring 2020 lockdown. The almost total loss of matchday income was partially offset through streaming income from iFollow broadcast during the season to fans, however this only partially mitigates the lost income, demonstrating how vital having fans back for live football is to the long-term sustainability of the sport.

Central league awards also decreased from £9.4m, to £8.4m, reflecting both the FA Cup income in the previous year, as well as the impact on COVID-19 on the 2021 financial results. Despite the challenging conditions bought about by the pandemic, commercial revenue of £2.7m remained in line with the previous season.

Total staff costs of £20.8m represent a 10.0% increase over the prior year (2020: £18.9m) reflecting the investment both into the playing squad, as well as the football management team that took place during the year. With the COVID-19 pandemic, given that most of these costs were already committed, with the need to balance salary cost control with the need to retain competitiveness within the Championship. Outside of the football operations, the Club utilised the government's Furlough scheme for some its operational and commercial staff to maintain employment during the imposed restrictions and ensure loss of talent due to redundancies was kept to a minimal level. Whilst regrettably some staff were lost during the year, had the support not been available this impact would have been much more significant. Other expenses (excluding depreciation and amortisation) reduced from £5.8m to £4.7m, both as a result of reduction in activity with the onset of the pandemic, but also through close financial management during the year.

Despite these cost saving measures, loss from operations increased from £10.1m to £13.1m.

As with many others in the Championship, the Club applied and was successful in obtaining an £8.3m support loan from The Football League Limited. This loan is secured against Premier League solidarity income due to the Club and is repayable over the forthcoming three seasons. The purpose of the loan was solely to repay amounts due to HM Revenue and Customs "HMRC", with no other usage permitted. As such the Club has extinguished all its liabilities to HMRC during the season, and has no overdue payables at 30 June 2021.

Net finance costs for the year were £0.7m (2020: £0.7m). During the year, Chestnut Hill Ventures LLC (CHV), the majority shareholder of the Company and principal provider of funding facilities, along with the Company's other loan note holders, agreed that the interest free period on their loan notes of £10.5m (2020: £10.5m) would be further extended from 1 July 2021 to 30 June 2022 (when interest will begin to accrue again unless CHV agrees otherwise). Loan repayments have also been extended by one year to 1 July 2023. Accordingly, the finance cost recognised in the current year includes £0.4m of the unwinding of the fair value discounts applied to these loan notes (the effective rate of interest rate over the remaining term of the facility). The remaining interest charge represents the unwinding of discounts applied to player transaction payables.

At 30 June 2021, the Group had net liabilities of £6.1m (2020: net liabilities £0.6m).

The directors do not recommend payment of a dividend.

Strategic Report

Prospects

Football
The principal objectives of the Company continue to be to consolidate the position of the Club as an established member of the Championship over the next few years and to build a squad and infrastructure to advance further in the longer term. The Club is committed to building and progressing year after year, both on and off the pitch.

Prior to the COVID-19 pandemic, the quality and wealth of many of the clubs now playing in the Championship continued to rise, with an increasing number of clubs still in receipt of parachute payments from the Premier League. The impact of this is to increase both the value of transfer fees and player salaries meaning that, despite the investment made by the Club, it continues not to match the level of salary costs of many clubs in the League. Since the onset of the pandemic, significant focus has been made by the EFL to look further at sustainability, including discussions around introduction of salary caps and cost controls. Given the stance of the Club and its Directors, we support all reasonable measures to maintain and reinforce sustainability within professional football and continue to comply with the Profitability & Sustainability Rules of the EFL.

The Youth Academy continues to be key to the strategy of the Club and your Directors regard this as a vital part of the future success of the Club. Under the direction of Scott Fitzgerald, it has over 160 players signed from the ages of 9 to 23. There are 18 full-time and 40 part-time staff who are responsible for the development of the players which consists of coaching, medical, analysis, sport science, strength and conditioning, nutrition and life skills. The training venue in Eltham has now become established as the home of the Academy with facilities complying with the high standard required by the football authorities.

The Club is required to comply with the Profitability & Sustainability Rules (the Rules) of the EFL applicable to the Championship. In general, these permit a club to incur losses up to £39m over a three-year period before any restrictions may be applied, so long as annual losses in excess of £5m are funded through equity. Currently the Club's level of defined losses is well within this limit, even with the challenges of the COVID-19 pandemic, and its impact on both these financial results, and those of the previous season. Despite this, your Directors are confident that the Club will continue to meet the requirements of the Rules. With these Rules in mind, the Directors have set budgets for all areas of income and costs with plans in place to monitor financial and team performance and to take such steps that are needed to achieve the best outcome for the year. The Directors are aware of ongoing issues in respect of Profit and Sustainability rules compliance by other clubs that have been in the press. Your Directors are committed to the current rules and ensuring they are complied with fully and fairly by all Championship clubs to provide all clubs with a sustainable future.

Revenue streams of the Group for the current year are expected to show a significant increase on the previous year. With the relaxation of COVID-19 restrictions, this has allowed the Club to resume more normalised business operations, including most importantly welcoming fans back to games. This will have material impact on matchday income for 2021/22, with the return of ticket and secondary matchday income. With the return of operations this will increase associated cost of sales through hosting matches with crowds, however will also allow for the Group to return to more expected financial performance levels in line with its own plans and forecasts.

The team has started the 2021/22 season with the form that it ended the previous season. It has gained 25 points in the first 17 games up to 8 November, placing the team in 9th position.

Other football related income
Despite the financially challenging year as a result of the pandemic, the Club was able to maintain a number of its key partnerships and sponsorships, including Huski Chocolate as the principal partner, as well as Mansionbet.com, who increased their sponsorship arrangement with the Club. With the rapid change from physical attendance to match streaming, a number of new sponsorship and advertising opportunities arose, with new advertising rights on broadcast, as well as LED advertising in the stadium. In the backdrop of the severe economic disruption seen during the season, to maintain and grow this area was a strong performance. The Directors would like to express their thanks and gratitude to all the Club's partners for their help and support over the year.

The Den
Other incomes from the utilisation of the stadium on non-matchdays had been significantly impacted by the current pandemic. External usage of the stadium was minimal during the year, due to ongoing restrictions. The club was able to provide free-of-charge facilities to the local NHS trust for the storage of PPE during the year. In addition, the stadium was used as a vaccination centre.

Despite the challenges of COVID-19, the Directors approved the installation of a new pitch at The Den, for which work commenced in May 2021. This represents a significant investment in property, plant and equipment for the year. The previous playing surface at the stadium was beyond the end of its useful life, however with the new pitch surface, this should allow for a better, more durable and more consistent playing surface for future years.

Strategic Report

Prospects *(continued)*

The Community

The Club continues to recognise the importance of the relationship with the diverse communities of South London and actively supports the work of Millwall Community Trust (MCT or Trust). The Club's commitment is reflected by two directors, Steve Kavanagh and Peter Garston, together with the Company' finance director, Mark Fairbrother and Commercial Director, Stuart Lock, acting as Trustees. The strength and depth of the relationship is also demonstrated both by financial support and by making Club facilities, assets and players available for the activities undertaken by MCT. The Club is rightly proud of its Community Trust and the incredible work it does, embedded within our local communities.

The MCT vision is to use the unique passion generated at Millwall to connect and inspire the Club's communities. This is achieved by using the inspiration of the Millwall spirit to improve the lives of people through engagement in sport. MCT delivers not just schools coaching and sports participation programmes but makes a significant contribution to community development, health improvement, education and employability, as well as managing facilities such as the Lions Centre and St Paul's Community Sports Ground for the benefit of the community.

The Trust aims to create a sustainable year-round community sport offering for the residents of Southwark and Lewisham. In 2020 -21 over twelve thousand residents have been engaged and benefitted by using the services provided by MCT, with support from the Club.

The Trust has a strategy of encouraging sports participation through positive partnerships. It is affiliated to The English Football League Trust and the Premier League. It has contracts with Housing Associations across the London Boroughs of Southwark and Lewisham, and delivers PL KICKS at a number of estate-based venues, supported by the Metropolitan Police and the Premier League Charitable Foundation. This year has seen the appointment of a Divert officer (independent of police adviser) funded by the home office, to work with young people that are in the risk of gang activities within the London Boroughs of Southwark and Lewisham.

With funding from the government pupil premium funding scheme, MCT was able to deliver various projects around healthy lifestyle, physical education, and cookery lessons in a number of local schools and the projects has become a key intervention within the school environment. MCT is currently delivering multi- sport provision in approximately 30 schools per week.

MCT has continued to deliver and develop further a number of acclaimed programmes for some of the more vulnerable people within our communities. Under the health improvement banner, MCT has continued its highly successful Walking Sports for Older People with dementia, Alzheimer's disease or other life-limiting conditions, with excellent engagement numbers. MCT has expanded its Employability offer, working with the Royal British Legion to support former service personnel into employment and qualifications.

The education strand has seen the Trust working with young people that have been subject to exclusion from the education system. Work is undertaken supporting these young people, with qualifications, work placements and help into further education.

MCT runs a college POST 16 education and football programme out of the Lions Centre, with 54 students attending daily, combining education with football coaching. The students over the year will study for BTEC level 3 in sports coaching qualification and from this programme some of these students will gain employment with MCT.

MCT is now registered with the Women's Football Association to operate Millwall Lionesses football team. This football team plays in the Eastern Region Women's League, playing at St Paul's Sport Ground and, together with a youth football teams at U12, U14, and U18 level also operated by MCT, this provides young women and girls in the area the opportunity to play competitive football.

MCT run and support their own LGBTQ+ football teams, Millwall Romans and Millwall Pride, with a membership of 40 players, Millwall Romans are the holders for the last two year of national unity league.

Communication

The Club regards communication with all supporters, business partners and staff as being of central importance. Given the impact of the pandemic, communication with our stakeholders was more important than ever, and the Club initiated regular meetings and forums, most of which were virtual with various supporter groups and partners. Since the year end, with the return of fans and events following the easing of restrictions, in person supporters forums have recommenced to allow for this face to face communication between stakeholders and Club employees and directors.

Finance

The Company continues to be funded by its principal shareholder, Chestnut Hill Ventures LLC ("CHV") and by its Directors. The existing facility is £20m (CHV Facility) with £10m outstanding at the year end. Additional funding requirements during the year have been met by CHV and certain directors subscribing for new B ordinary shares of £1 each at par. During the year 7,900,000 B ordinary shares were issued for cash raising £7.9m of funds for the Company.

The CHV Facility and the £525,000 2013 Unsecured Loan Notes (Loan Notes), held by Directors and their associates, were repayable on 1 July 2021. CHV and the Loan Notes holders had agreed that no interest would accrue in respect of the CHV Facility and Loan Notes until 30 June 2021. By an agreement dated 10 June 2021, CHV extended the suspension of interest until 1 July 2022 (when interest will begin to accrue again unless CHV agrees otherwise). The other Loan Notes holders have agreed that no interest will accrue on the Loan Notes until the date on which the Company and CHV agree that interest will begin to accrue again in respect of the CHV Facility. The repayment date of the CHV Facility and other Loan Notes was also extended to 1 July 2023.

Under current accounting standards, the above changes to the loan terms were deemed to constitute a substantial modification of the original facilities. The consequence has been to recognise the loan liability in the statement of financial position at £9.7m (2020: £9.7m), being the fair value of the amount drawn down under the loan facilities under the modified terms as at the modification date, adjusted for the unwinding of the fair value discount to 30 June 2021. The £0.42m (2020: £0.42m) gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to equity.

Prospects *(continued)*

The directors are of the view that, together with the further arrangements referred to in note 1 to the financial statements, ongoing equity investment and extended loan facilities from CHV and the directors as well as the cost management procedures underway as a response to COVID-19, provides the Company with sufficient access to working capital to fund the operations of the Company over the next few years.

The balance sheet of the Company as at 30 June 2021 shows that the Company has net liabilities of £6.1m (2020: net liabilities £0.6m). Because the net liabilities are less than 50% of the called-up share capital, the directors are convening a General Meeting, in accordance with Section 656 of the Companies Act 2006, to take place immediately following the forthcoming Annual General Meeting to consider what, if any, steps should be taken to deal with the situation.

Regeneration

As reported last year, following years of disputes with Lewisham Council and Renewal, the developer of the adjacent site, there had been a number of constructive meetings with the new mayor, Damien Egan, and his senior planning officers.

The Company had been told that the threat of having any part of the lands occupied by the Club or the community scheme being compulsorily acquired by the Council and handed to Renewal has been lifted; indeed, Renewal has confirmed that it no longer has any ambition to develop any part of that land. Prior to the pandemic, at a meeting attended by the new mayor, his Head of Planning and your Chairman, it was agreed in principle that a new lease of all the land occupied by the Club and MCT would be granted with a term of not less than 250 years and containing provisions allowing the redevelopment to be carried out and then used for the purposes that it was intended. This resulted in the conditional land sale agreement being terminated in February 2020.

With the termination of the conditional land sale, this opens the way for an urban regeneration project that can transform for the good of this community. As a Club we look forward to now agreeing the new lease with Lewisham Council which will enable us to put into action the new plans for the Club, The Den and the adjourning land, as well as the Millwall Community Trust, which will not only be of benefit to the Club, but also to the wider community. With the COVID-19 pandemic, this has significantly slowed progress on these negotiations, with little progress to show during the financial year. Discussions have recommenced in recent times, however at the time of writing this progress is frustratingly slow. Given the shared goal of all parties for this regeneration, it is hoped that further construction dialogue will allow for Lewisham Council to progress on these discussions with the Club.

The architects appointed by the Company have come up with an excellent scheme to redevelop and regenerate the land around the Den which satisfied all the Club's aspirations, in particular to bring the stadium and its facilities capable of meeting premier league standards. The scheme provides for the expansion of the stadium itself, significantly increased media facilities, improved hospitality services, a new centre for Millwall Community Trust within the stadium, protection of our Youth Academy's status, and a hotel and conference centre. The architects are also developing proposals for creating an open plaza in front of the stadium which can become an attractive focal point for the local community together with a significant number of new homes, affordable housing and associated commercial opportunities. Early draft images were released in March 2020, and were warmly received, and now gives the Club the opportunity to plan for the future, but to build facilities to match the aspirations of the Club to compete at the highest level.

COVID-19

The financial results for the year ending 30 June 2021 have been significantly impacted by the COVID-19 pandemic. With competitive football suspended in March 2020, this led to a four month delay in completion of the season, as part of the wider lockdown of the UK economy in response to the growing pandemic levels seen both in the United Kingdom but around Europe. For the 2020/21 season, as noted previously this was played with virtually no fans able to attend matches, with further national lockdowns impacting on all areas of the UK economy. During this period, the Company took advantage of the Coronavirus Job Retention Scheme from the UK Government, to protect as many roles as possible whilst there was no income coming in, and was one of the measures put in place to partially mitigate the impact of the pandemic on the Company. As noted in the previous year, the decision was taken by the board to cover any shortfall in the furlough grant claim during the entire time staff were furloughed, which continued throughout the 2020/21 financial year.

From March 2021, the UK Government had previously announced the roadmap of restriction easing, which allowed for a return of fans in May 2021. This roadmap has continued in line with the announcement and as such the Company has start the 2021/22 season with no restrictions in place. Although COVID-19 is still in existence and is a global threat, a return to more normalised business operations is an indication of the UK Governments approach to the pandemic at this stage, and allows the company to resume more usual commercial operations which are vital for the long term sustainability, not only of the Club but the wider professional sporting environment.

Principal risks and uncertainties

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

A significant amount of the Club's revenue derives from ticket sales. Income generated from gate receipts is highly dependent on the level of attendance at matches. The current COVID-19 pandemic has highlighted the reliance of all football clubs on matchday revenue, and also cost control measures can and have been implemented, these cannot mitigate the lost income seen at present.

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

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

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

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

Going concern

The Board has considered the adoption of the going concern basis of preparation of the financial statements and the facilities currently available to the Group, as mentioned in note 1, and has concluded that the basis has been appropriately adopted in the accounts.

There is a £20m facility in place from CHV that was drawn to £10m as at the year end, which does not fall due for repayment until 1 July 2023. Your Directors believe this, in conjunction with the ongoing support of the Group's principal shareholder, provides sufficient working capital for the current needs of the Group for the foreseeable future. With the utilisation of the £8.3m EFL loan to repay HMRC debt, this has an additional repayment obligation for the three years from 2021/22. Despite this, with the return of crowds at the start of the 2021/22 season, and the relaxing of COVID-19 restrictions, this will allow the Club to return to normal business operations, which in turn will lead to a return to expected income and financial performance in the medium term.

In light of the potential impacts of COVID-19 and the various potential scenarios some of which require the Group to secure additional shareholder funding which is not yet guaranteed, the directors have identified a material uncertainty that may cast significant doubt over the Company's and the Group's ability to continue as a going concern for the foreseeable future.

This return to normal business operations is also in line with the clubs longer term financial plans, and cashflow planning. The financial statements are prepared on a going concern basis, as although the directors have noted the impact on COVID-19, with the relaxation of restrictions, this allows for continuing business operations in line with the wider strategic plans of the Club.

The Board would like to thank players, management and staff for their continued hard work during the past year. The support of shareholders, fans and everyone connected with the Club has, as ever, been tremendous and to all of them and more so during these times, the Board extends its thanks.

On behalf of the Board

S Kavanagh Director

Date 23 November 2021

Directors' Report

The directors present their report on the affairs of the Group, together with the accounts and independent auditor's report for the year ended 30 June 2021.

Directors
The directors, who served during the year and to the date of this report, are as follows:
John G Berylson *(Non-Executive Chairman)*
James T Berylson *(Non-Executive)*
Peter Garston *(Non-Executive)*
Constantine Gonticas *(Non-Executive)*
Trevor Keyse *(Non-Executive)*
Demos Kouvaris *(Non-Executive)*
Richard S Press *(Non-Executive)*
Stephen Kavanagh *(Executive)*

In accordance with the Articles of Association, Mr Constantine Gonticas retires by rotation and, being eligible, each offers himself for re-election at the Annual General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively 'IFRSs') and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

Political and charitable donations
During the year, the Group made a contribution to a charity of £Nil (2020: £Nil). Refer to page 6 for community activities. The Group made no political donations.

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

Payment of creditors
The Group's and Company's policy is to settle agreed amounts outstanding to creditors within sixty days. This policy is made known to staff who handle payments to suppliers and is made known to suppliers on request. The Company had trade creditors at 30 June 2021 totalling £nil (2020: £nil). The Group's trade creditors at 30 June 2021 represented 87 days purchase (2020: 64 days).

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

Directors’ Report

Other disclosures
Disclosure of exposure to financial risks, post balance sheet events and future developments are included in the Strategic Report on pages 4 to 8.

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

On behalf of the Board

S Kavanagh Director

Date: 23 November 2021

Independent Auditor's Report

To the members of Millwall Holdings PLC

Opinion

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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Millwall Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company balance sheet, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the Parent Company's and Group's financial statements which describes how the ability of the Parent Company and Group to continue as a going concern is affected by the potential impacts of the COVID-19 pandemic. The Group is funded by its principal shareholder and various forecast scenarios indicate that the Parent Company and Group will be required to secure additional funding from the shareholder that is not guaranteed. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Parent Company's and Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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.

Independent Auditor's Report

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 9, 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies applied, the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.

We determined that the principle risk were related to inappropriate journals entries, management bias in accounting estimates and revenue recognition. Our audit procedures included but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular those reating to the carrying value of player registrations including discounting of payables and receivables and potential impairments;
- Identifying and testing manual journal entries, in particular journal entries posted to revenue and journals with unusual account combinations;
- Testing a sample of revenue transactions to signed contracts and other third party documentation to ensure they are recorded to appropriate amounts and in the correct period;
- Discussion held with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of board meetings from throughout the year as well as a review of internal audit reports;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

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

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

Use of our report

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

DocuSigned by:

Ian Clayden

E25A0E124BD44AA...

Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

Date: 26 November 2021

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

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2021

	Note	**2021 £000**	*2020 £000*
Revenue	2	**12,457**	16,427
Other operating income	4	**2,074**	918
Profit on disposal of players' registrations	4	**665**	76
Staff costs	5	**(20,835)**	(18,934)
Amortisation of players' registrations	8	**(2,138)**	(2,180)
Depreciation of property, plant and equipment	9	**(706)**	(676)
Total depreciation and amortisation expense		**(2,844)**	(2,856)
Other expenses		**(4,597)**	(5,758)
Loss from operations	4	**(13,080)**	(10,127)
Finance income	3	**48**	263
Finance expense	3	**(778)**	(997)
Loss before taxation		**(13,810)**	(10,861)
Tax credit	7	**-**	115
Loss after tax for the financial year and total comprehensive loss		**(13,810)**	(10,746)

All amounts relate to continuing activities.

The accompanying notes on pages 17- 33 form an integral part of this Consolidated Statement of Comprehensive Income.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

	Ordinary shares of £10 each £000	*Deferred shares of 0.09p each £000*	*Share premium account £000*	*B ordinary shares of £1 each £000*	*Capital reserve £000*	*Retained deficit £000*	*Total equity £000*
1 July 2019	13,905	2,333	23,152	31,825	20,741	(90,229)	1,727
B ordinary shares issued in year	-	-	-	7,975	-	-	7,975
Conversion of shareholder loans							
Gain on shareholder loan modification (note 16)	-	-	-	-	-	419	419
Loss for the year	-	-	-	-	-	(10,746)	(10,746)
30 June 2020	13,905	2,333	23,152	39,800	20,741	(100,556)	(625)
1 July 2020							
B ordinary shares issued in year	-	-	-	7,900	-	-	7,900
Conversion of shareholder loans							
Gain on shareholder loan modification (note 16)	-	-	-	-	-	430	430
Loss for the year	-	-	-	-	-	(13,810)	(13,810)
30 June 2021	13,905	2,333	23,152	47,700	20,741	(113,936)	(6,105)

The accompanying notes on pages 17 - 33 form an integral part of this Consolidated Statement of Changes in Equity.

Consolidated Statement of Financial Position

at 30 June 2021

Company number: 2355508

	Notes	***2021*** ***£000***	*2020* *£000*
Non-current assets			
Intangible assets	8	**2,329**	3,204
Property, plant and equipment	9	**16,870**	16,333
		19,199	19,537
Current assets			
Inventories	10	**80**	39
Trade and other receivables: amounts falling due within one year	11	**2,128**	4,084
Cash and cash equivalents		**1,323**	636
		3,531	4,759
Total assets		**22,730**	24,296
Non-current liabilities			
Trade and other payables	12	**(7,643)**	(3,069)
Financial liabilities	13	**(9,698)**	(9,701)
Deferred income	12	**(1,824)**	(1,967)
		(19,165)	(14,737)
Current liabilities			
Trade and other payables	12	**(7,034)**	(8,041)
Deferred income	12	**(2,636)**	(2,143)
		(9,670)	(10,184)
Total liabilities		**(28,835)**	(24,921)
Net liabilities		**(6,105)**	(625)
Equity			
Called up share capital	14,19	**63,938**	56,038
Share premium	19	**23,152**	23,152
Capital reserve	19	**20,741**	20,741
Retained deficit	19	**(113,936)**	(100,556)
Total equity attributable to the shareholders of the parent		**(6,105)**	(625)

The accounts on pages 13 to 33 were approved by the Board of Directors and authorised for issue on 23 November 2021

S Kavanagh
Director

The accompanying notes on pages 17 - 33 form an integral part of this Consolidated Statement of Financial Position.

Consolidated Statement of Cash Flows

for the year ended 30 June 2021

	2021	*2020*
	£000	*£000*
Cash flows from operating activities		
Loss before taxation	**(13,810)**	(10,861)
Depreciation on property, plant and equipment	**706**	676
Amortisation of intangible assets	**2,138**	2,180
Amortisation of grants	**(81)**	(81)
Amortisation of training ground creditor	**(63)**	(63)
Profit on disposal of players' registrations	**(665)**	(76)
Finance income	**(48)**	(263)
Finance expense	**778**	997
Cash flows from operating activities before changes in working capital	**(11,045)**	(7,491)
(Increase)/Decrease in inventory	**(41)**	10
(Increase) in trade and other receivables	**(332)**	(217)
(Decrease)/Increase in trade and other payables and deferred income	**(2,400)**	2,473
Net cash flow from operating activities	**(13,818)**	(5,225)
Investing activities		
Purchase of property, plant and equipment	**(1,217)**	(126)
Proceeds on disposal of players' registrations	**2,787**	1,094
Purchase of players' registrations	**(2,838)**	(3,745)
Net cash flow from investing activities	**(1,268)**	(2,777)
Financing activities		
Loan from EFL	**7,873**	-
Issue of B ordinary shares	**7,900**	7,975
Net cash flow from financing activities	**15,773**	7,975
Net movement in cash and cash equivalents	**687**	(27)
Cash and cash equivalents at start of year	**636**	663
Cash and cash equivalents at end of year	**1,323**	636

The accompanying notes on pages 17 - 33 form an integral part of this Consolidated Statement of Cash Flows.

Notes to the Accounts

for the year ended 30 June 2021

1 Accounting policies

Basis of preparation

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

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

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts which extend to the end of the 2022/2023 football season. However, it is acknowledged that the continued global and UK presence of COVID-19 has had a profound impact on the Company and the Group in a number of respects.

With the temporary cessation of the 2019/20 football season during the pandemic, as noted in the previous Annual Report, this had a significant impact on the Club's match day income generation. For 2020/21 the majority of the season was completed behind closed doors, with no fans able to attend. As demonstrated in the financial information this has had a significant material impact on revenue generation for the year.

The director's have undertaken a number of proactive measures to partially mitigate this impact, both through cost control mechanisms and utilisation of the UK Government Job Retention Scheme for a number of its employees, During the year the Club also applied and was successful in obtaining an £8.3m business interruption loan from EFL to repay all debts to HMRC that were deferred under a time to pay arrangement. This loan is secured against future Premier League solidary distributions and is repayable over three seasons commencing with the 2021/22 season.

In line with the relaxing of COVID-19 restrictions, the start of the 2021/22 season has commenced free of restrictions on crowds at EFL matches, as well as a relaxation of restrictions around social distancing. Although the government have announced their 'Plan B' protocols in the event of rising infection rates and hospitalisations, this currently relates to use of face coverings, and potential use of vaccine status passports, rather than limits on capacities or return to games behind closed doors. Based on this guidance from UK Government the expectation from the board is for a full season with minimal disruption to normal operating activities from COVID-19.

With both the resumption of pre COVID-19 level EFL activities, and actions taken by the Directors in regards to significant financial and operational adjustments, it is the opinion of the directors that the club and therefore the Company and Group will remain solvent for the foreseeable future. As such, a return to the Club's previous financial position is expected in the medium/long term and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

At 30 June 2021, the Group had net liabilities of £6.1 million and net current liabilities of £6.1 million.

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

- cash flow projections prepared to 30 June 2022, and expected cash flow forecasts for the year thereafter, including the effect of player trading; and

- the continuing provision of facilities to the Group from Chestnut Hill Ventures LLC ("CHV"), a company controlled by the Chairman, John G Berylson. The repayment date on the existing £10 million loan facility was extended during the year to 1 July 2023, with interest accruing only from 1 July 2022. CHV has also undertaken to provide the Group with further support, if necessary, for at least the next 12 months, as it has done during the current and previous financial years. However the receipt of this further support is not guaranteed.

In light of the potential impacts of COVID-19 and the various potential scenarios some of which require the Group to secure additional shareholder funding which is not yet guaranteed, the directors have identified a material uncertainty that may cast significant doubt over the Company's and the Group's ability to continue as a going concern for the foreseeable future.

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

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

Adoption of standards not yet effective

The IASB has also issued or made amendments to IFRS 9, IAS28, IFRS 3, IFRS 11, IAS 12, IAS23, IFRIC 23, IFRS17 but these changes are not relevant to the current operations of the Group.

1 Accounting policies *(continued)*

Basis of consolidation

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

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

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

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

Players' registrations

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

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

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

Signing on fees

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

Transfer fees

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

Property, plant and equipment

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

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

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

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

Inventory

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

1 Accounting policies *(continued)*

Impairment of non-financial assets (excluding inventories)

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

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

Taxation

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

Deferred taxation

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

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

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

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

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

Pension costs and other post retirement benefits

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

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

Financial instruments

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

Financial assets

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

Financial liabilities

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

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

1 Accounting policies *(continued)*

Cash and cash equivalents

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

Finance income

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

Leased assets

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

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

Trade and other payables and receivables

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

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

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

Revenue recognition

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

Match Day

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

Central League Awards

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

Commercial

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

Deferred income

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

Grants

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

2 Segmental analysis

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

The analysis of group revenue is as follows:

	2021 £000	*2020 £000*
Match Day	**1,445**	4,377
Central League Awards	**8,360**	9,388
Commercial	**2,652**	2,662
	12,457	16,427

3 Finance interest & expense

	2021 £000	*2020 £000*
Finance interest		
Interest receivable on unwinding of discount	**48**	263
Finance expense		
Interest expenses on unwinding of discount	**(778)**	(997)

4 Loss from operations

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

	2021 £000	*2020 £000*
Depreciation and amounts written off property, plant and equipment		
– owned	**706**	676
Amortisation of grant	**(81)**	(81)
Amortisation of proceeds on sale of training ground	**(63)**	(63)
Amortisation of player registrations	**2,138**	2,180
Operating lease rentals – Land & Buildings		371
Operating lease rentals - Other		47
Auditors' remuneration		
– Audit of company financial statements	**9**	9
– Audit of financial statements of subsidiaries	**35**	35
– Taxation services	**11**	11
– Other services	**10**	10
Profit on sale of players' registrations	**(665)**	(76)
Staff Furlough Income	**(1,447)**	(760)

Other operating income comprises loan fee income of £192,000 (2020 £158,000), staff furlough income of £1,447,000 (2020 £760,000), donations of £324,000 (2020 £nil) and other income received by the club not considered to be revenue of £111,000 (2020 £nil).

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

5 Staff costs

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

	2021 Number	*2020 Number*
Football team management	**40**	38
Administrative and ground staff	**49**	55
Players (including Academy)	**53**	58
	142	151

In addition, the Group employs, on average, a further 56 (2020: 90) temporary staff on matchdays.

Aggregate remuneration comprised:

	2021 £000	*2020 £000*
Wages and salaries	**18,567**	16,899
Social security costs	**2,043**	1,820
Pension costs	**225**	215
	20,835	18,934

6 Directors' remuneration

	2021 £000	*2020 £000*
Directors' emoluments (including benefits in kind)	**365**	300
Pension costs	**12**	12
Total directors' remuneration	**377**	312

Payments to money purchase pension schemes were made in respect of one director (2020: one). The remuneration of the highest paid director was £377,000 including £12,000 of pension contributions.

7 Tax expense

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

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

	2021	*2020*
	£000	*£000*
(Loss) on ordinary activities before tax	**(13,810)**	(10,861)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	**(2,624)**	(2,064)
Effects of:		
Expenses and income not deductible for tax purposes	**164**	166
Depreciation in excess of capital allowance	**-**	59
Adjustment to tax charge in respect of previous period	**-**	(115)
Unutilised losses carried forward	**2,460**	1,839
Total tax charge for the year	**-**	(115)

Deferred tax

At 30 June 2021 the Group had estimated tax losses carried forward of £98.7m (2020: £96.2m), subject to the agreement of HM Revenue and Customs. After assessing the prospects for the 2021 financial year the Board has decided to not recognise any deferred tax asset as it is prudent to estimate that no losses will be utilised in that period. The amount of the unprovided deferred tax asset at a future UK tax rate of 19% (2020: 19%) is calculated at £18.8m (2020: £18.2m).

At 30 June 2021 the Group had £8.1m (2020: £8.1m) of unclaimed capital allowances. These have not been recognised as the Board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £1.54m (2020: £1.54m).

At 30 June 2021 the Group had capital losses carried forward of £4.7m (2020: £4.7m). These have not been recognised as the Board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £0.9m (2020: £0.9m).

8 Intangible assets

	Players' registrations £000
Cost	
1 July 2019	4,764
Additions	2,812
Disposals	(567)
30 June 2020	7,009
Additions	1,471
Disposals	(980)
30 June 2021	**7,500**
Amortisation	
1 July 2019	2,188
Charge for the year	2,180
Disposals	(563)
30 June 2020	3,805
Charge for the year	2,138
Disposals	(772)
30 June 2021	**5,171**
Net book value	
30 June 2020	3,204
30 June 2021	**2,329**

Included in the net book value of players' registrations are 20 (2020: 20) registrations at a net book value at 30 June 2021 of £2,329,000 (2020: £3,204,000). The remaining useful life of these registrations is up to 3 years.

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

9 Property, plant and equipment

	Long leasehold premises £000	Right of use asset £000	Fixtures and fittings £000	Leasehold Improvements £000	Motor vehicles £000	Total £000
Cost						
1 July 2019	17,629	-	5,349	311	42	23,331
Additions	–	2,421	118	8	–	2,547
30 June 2020	17,629	2,421	5,467	319	42	25,878
Additions	1,065	-	178	-	-	1,243
30 June 2021	**18,694**	**2,421**	**5,645**	**319**	**42**	**27,121**
Accumulated depreciation						
1 July 2019	4,606	-	4,152	69	42	8,869
Charge for the year	176	296	169	35	–	676
30 June 2020	4,782	296	4,321	104	42	9,545
Charge for the year	176	295	199	36	-	706
30 June 2021	**4,958**	**591**	**4,520**	**140**	**42**	**10,251**
Net book value						
30 June 2020	12,847	2,125	1,146	215	-	16,333
30 June 2021	**13,736**	**1,830**	**1,125**	**179**	**-**	**16,870**

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

The net carrying value of assets held under finance leases is £219,573 (2020: £265,488).

10 Inventories

	2021 £000	*2020 £000*
Goods for resale	**80**	39

Goods for resale include an amount of £80,000 (2020: £39,000) carried at fair value less costs to sell.

11 Trade and other receivables

	2021 £000	*2020 £000*
Amounts falling due within one year:		
Trade receivables	**1,099**	1,066
Transfer fees receivable	**163**	2,451
Other debtors	**188**	247
Prepayments and accrued income	**678**	320
	2,128	4,084

11 Trade and other receivables *(continued)*

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

At 30 June 2021 trade receivables of £892,598 (2020: £652,074) were past due against which a doubtful debtor's provision of £217,837 (2020: £349,920) has been recorded. The remaining balances relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2021	*2020*
	£'000	*£'000*
3 to 6 months	**630**	652
	630	652

12 Trade and other payables

	2021	*2020*
	£000	*£000*
Current:		
Trade and other payables	**1,714**	3,261
Other loan payable	**3,069**	-
Taxation and social security	**821**	3,144
Accruals	**1,430**	1,636
	7,034	8,041
Deferred income	**2,636**	2,143
	9,670	10,184
Non-current:		
Trade and other payables	**250**	366
Other loan payable	**4,804**	-
Long Term Lease Liability	**2,295**	2,340
Accruals	**294**	363
	7,643	3,069
Deferred income	**1,824**	1,967
	9,467	5,036

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

Included within deferred income is:

- an amount of £2,636,000 (2020: £2,143,000) relating to amounts received in advance, in respect of season tickets, league awards, executive boxes, memberships, advertising and sponsorship relating to the following year.
- unamortised grants totalling £1,717,000 (2020: £1,798,000) received in respect of the long leasehold premises and other fixtures and fittings, of which £81,000 is current.
- unamortised proceeds of £249,500 (2020: £312,000) from the sale of the Training Ground in excess of market value, of which £62,500 is current, which are being amortised on a straight-line basis over 20 years to 2025.

In the directors' opinion the carrying values of trade and other payables are stated at their fair value as they are not interest bearing and payments occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other payables are considered to be payable within 64 days, with the exception of those described as non-current which are payable in more than one year. The fair values of these non-current payables are not considered to be materially different from their carrying values.

13 Financial liabilities

	2021	2020
	£000	£000
Non-current:		
Non-convertible loan notes	**9,472**	9,475
Interest accrued on loan notes	**226**	226
	9,698	9,701

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

The loan notes have a nominal value of £10,525,000 but, following a substantial modification to their terms in June 2021, were re-recognised at their fair value of £9,443,000. This discount to nominal value will be charged to profit and loss as a finance cost over the facility term. £28,839 of such discount has unwound since the June 2021 modification.

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

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

At 30 June 2021 loan note liabilities were due as follows:

	2021	2020
	£000	£000
Amount payable		
– after one year but within two years	**-**	-
– after two years but within five years	**9,698**	9,701
	9,698	9,701

In June 2020 the repayment date for all loan notes was further extended to 1 July 2022. On 10 June 2021 the repayment date for all loan notes was further extended to 1 July 2023.

for the year ended 30 June 2021 *(continued)*

14 Share capital

	2021	2020
	Number	*Number*
Allotted, called up and fully paid		
Ordinary shares of £10 each	**1,390,523**	1,390,523
B ordinary shares of £1 each	**47,700,000**	39,800,000
Deferred shares of 0.09p each	**2,592,087,167**	2,592,087,167
	2,641,177,690	2,633,277,690

	£000	*£000*
Allotted, called up and fully paid		
Ordinary shares of £10 each	**13,905**	13,905
B ordinary shares of £1 each	**47,700**	39,800
Deferred shares of 0.09p each	**2,333**	2,333
	63,938	56,038

B ordinary shares
During the year the Company issued 7,900,000 new B ordinary shares of £1 each, at par, for cash.

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

Deferred shares
The rights attaching to the deferred shares render them effectively valueless. The deferred shares do not carry any voting rights or rights to payment of a dividend. On a winding up of the Company or on a return of capital the deferred shares entitle the shareholders only to the repayment of the amounts paid up on those shares after the repayment of the capital paid up on the ordinary shares and the payment of £100,000 on each ordinary share. The deferred shares are non redeemable.

15 Financial commitments and contingent assets/liabilities

a) Non-cancellable operating leases

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

Commitments under non-cancellable operating leases are as follows:

Minimum lease payments due:	***Land and Buildings* 2021 £000**	***Other leases* 2021 £000**	***Total* 2021 £000**	*Land and Buildings* 2020 £000	*Other leases* 2020 £000	*Total* 2020 £000
Within one year	368	20	**388**	368	47	415
In two to five years	1,413	-	**1,413**	1,533	9	1,542
After five years	1,362	-	**1,362**	1,692	-	1,692
	3,143	20	**3,163**	3,593	56	3,649

b) Finance lease

During the year, the Club has entered into agreements to lease a number of assets. Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Club has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount. Future lease payments are due as follows;

	Minimum lease payments 2021 £000	**Interest 2021 £000**	**Present value 2021 £000**	**Minimum lease payments** 2020 £000	**Interest** 2020 £000	**Present value** 2020 £000
Within one year	7	1	**6**	134	13	121
In two to five years	-	-	**-**	7	1	6
	7	1	**6**	141	14	127

c) Pensions

The Club participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2018. The key assumptions used to calculate the deficit at the 31 August 2018 actuarial valuation are:

Discount Rate	3.6% p.a. until 2021, 2.5% p.a. for the following 10 years and 1.5% p.a. thereafter.
RPI inflation:	3.3% p.a.
Pension Increases:	3.7% p.a.
Mortality (pre-retirement):	None
Mortality (post-retirement):	SAPS S2PMA / S2PFA CMI_2016 1.5%

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

The results of this actuarial valuation were rolled forward to 30 June 2021 when the Club's notional share of the deficit, calculated using the actuarial valuation assumptions, was £230,000 (2020: £230,000). This resulted in a charge of £Nil(2020: £Nil) being made to profit and loss in the current year.

The Club currently has 1 employee who is a member of the scheme (2020: 1) and pays total contributions of £49,575 p.a. which increases at 5.0% p.a. Based on the actuarial valuation assumptions detailed above, these contributions will be sufficient to pay off the Club's share of the deficit by 31 May 2026.

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

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

d) Transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be receivable/payable by the Group if conditions as to future team selection are met. The maximum that could be receivable is £280,000 (2020: £250,000). The maximum that could be payable is £4,101,000 (2020: £3,195,000). These amounts have not been provided for in the financial statements. These amounts do not include various payments or receipts that are determinable only on circumstances which are distant or outside the direct control of the parties to the contract and the player in question.

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

16 Nature and extent of financial instruments

The Group's financial instruments include the following:
- trade and other receivables
- trade and other payables
- cash and cash equivalents
- accruals
- non-convertible loan notes

Categories of Financial Instruments

	2021	*2020*
	£000	*£000*
Classification of financial assets:		
Trade receivables	**1,099**	1,066
Transfer fees receivable	**163**	2,451
Cash and cash equivalents	**1,323**	636
Total financial assets classified as loans and receivables at amortised cost	**2,585**	4,153
Classification of financial liabilities:		
Trade and other payables	**1,964**	3,627
Other loans payable	**7,873**	-
Accruals	**1,724**	1,999
Amounts relating to non-convertible loan notes (including accrued interest on loan notes)	**9,698**	9,701
Total financial liabilities measured at amortised cost	**21,259**	15,327

Financial Instruments – Risk Management

The Group is exposed through its operations to the following financial risks:
- Credit risk
- Interest rate risk
- Liquidity risk

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

Credit risk

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

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

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

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

Interest rate risk

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

16 Nature and extent of financial instruments *(continued)*

Liquidity risk

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

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

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

Interest bearing financial assets

Financial assets from time to time include sterling balances on deposit which may be withdrawn on demand. Interest is earned on cleared balances at market rate as and when monetary deposits are made. At 30 June 2021 the Group had no amounts (2020: £Nil) on deposit.

Non-convertible loan notes

Non-convertible loan notes at 30 June 2021 and 30 June 2020 comprised the following:

- A £525,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2022 to 30 June 2023 (2020: 1 July 2021 to 30 June 2022). This facility was fully drawn down at 30 June 2021 and 2020. It is available to the Company until 1 July 2023 following a term extension in the year.

- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2022 to 30 June 2023 (2020: 1 July 2021 to 30 June 2022). £10,000,000 of previously drawn amounts were converted to equity in the prior year. £10,000,000 of this facility was drawn down at 30 June 2021 and at 30 June 2020. It is available to the Company until 1 July 2023 following a term extension in the year.

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

The £20,000,000 facility is provided by CHV, the Company's immediate controlling party. During the year, CHV agreed to suspend the payment of interest on the facility until 1 July 2022, with effect from 1 January 2015. Interest payable of £405,556 has been recognised in the current year to represent the effective interest accruing under the revised terms.

The £525,000 facility holders also agreed to suspend the payment of interest on the facility until 1 July 2022, with effect from 1 January 2015. Interest payable of £21,292 has been recognised in the current year to represent the effective interest accruing under the revised terms.

Fair values

The fair value of the financial assets and liabilities at 30 June 2021 and 30 June 2020 are not considered to be materially different from their book values, with the exception of the non-convertible loan notes which were deemed to have a fair value of £9,443,000 upon modification in June 2022 (unwound to £9,475,000 at 30 June 2020). The £430,000 gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

Capital disclosures

The Group's key management personnel define capital as the Group's cash holding of £1,323,000 (2020: £636,000); loan notes and accrued interest of £9,698,000 (2020: £9,701,000); the working capital amount owed to the parent company of £Nil (2020: £Nil) and equity share capital and premium of £87,090,000 (2020: £79,190,000).

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

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

17 Related party transactions

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

- A £20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2021 £10,000,000 (2020: £10,000,000) of this facility had drawn down.

- An interest free working capital facility which is repayable on demand. At 30 June 2021 £Nil (2020: £Nil) had been drawn down against this facility.

During the year, no interest (2020: £Nil) was charged under facilities provided by CHV since, as described in note 16, the charging of interest has been suspended until 1 July 2022. However, an effective interest charge of £426,848 (2020: £437,212) has been recognised in profit and loss in the year in respect of this facility.

During the year ended 30 June 2012, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director) and J Press, spouse of R Press (Non-Executive Director), subscribed for £300,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2021, the balance drawn under this facility was £300,000 (2020: £300,000). During the year, no interest (2020: £Nil) accrued under these facilities since, as described in note 16, the charging of interest has been suspended until 1 July 2021. Total accrued interest of £161,000 (2020: £161,000) remains unpaid at the balance sheet date. However, an effective interest charge of £12,167 (2020: £12,462) has been recognised in profit and loss in the year in respect of this facility.

During the year ended 30 June 2013, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), and J Press, spouse of R Press (Non-Executive Director), subscribed for £200,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2021, the balance drawn under this facility was £200,000 (2020: £200,000). During the year no interest (2020: £Nil) accrued under these facilities since, as described in note 16, the charging of interest has been suspended until 1 July 2021. Total accrued interest of £65,000 (2020: £65,000) remains unpaid at the balance sheet date. However, an effective interest charge of £9,125 (£2020: £8,308) has been recognised in profit and loss in the year in respect of this facility.

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

18 Accounting estimates and judgements

Critical accounting judgements in applying the Group's policies

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

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

Acquired players' registrations

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

Useful lives of intangible assets

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

Useful lives and residual values of property, plant and equipment

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

Fair value of loan note facilities

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

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

19 Reserves

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

20 Subsequent events

Since the balance sheet date the club has acquired the registrations of Mason Bennett from Derby County Football Club, and disposed of Jason McCarthy to Wycombe Wanderers Football Club.

21 Ultimate controlling party

The Company is under the control of Chestnut Hill Ventures LLC, a company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by John G Berylson and Richard A Smith, as Trustee of the Phillip Smith dec'd Will Trust.

Company Balance Sheet

as at 30 June 2021

Company number: 2355508

	Notes	2021 £000	2020 £000
Fixed assets			
Investments	v	**3,736**	9,219
Current assets			
Debtors	vi	**-**	-
Cash at bank and in hand		**-**	-
		-	-
Creditors: Amounts falling due within one year	vii	**(143)**	(143)
Net current liabilities		**(143)**	(143)
Total assets less current liabilities		**3,593**	9,076
Creditors: Amounts falling due after more than one year	viii	**(9,698)**	(9,701)
Net liabilities		**(6,105)**	(625)
Capital and reserves			
Called up share capital	ix	**63,938**	56,038
Share premium account		**23,152**	23,152
Capital reserve		**20,683**	20,683
Retained deficit		**(113,878)**	(100,498)
Shareholders' funds (in deficit)		**(6,105)**	(625)

The Company has taken advantage of the exemption in the Companies Act 2006 S408 not to present its own profit and loss account. A loss of £13,810,000 (2020: £10,611,000) of the consolidated loss for the year attributable to the shareholders of Millwall Holdings PLC has been dealt with in the accounts of the Company.

The accounts on pages 34 to 41 were approved by the Board of Directors and authorised for issue on 23 November 2021

S Kavanagh
Director

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

Company Statement of Changes in Equity

for the year ended 30 June 2021

	Ordinary shares of £10 each £000	*Deferred shares of 0.09p each £000*	*Share premium account £000*	*B ordinary shares of £1 each £000*	*Capital reserve £000*	*Retained deficit £000*	*Total equity £000*
1 July 2019	13,905	2,333	23,152	31,825	20,683	(90,306)	1,592
B ordinary shares issued in year	-	-	-	7,975	-	-	7,975
Gain on shareholder loan modification (note viii)	-	-	-	-	-	419	419
Loss for the year	-	-	-	-	-	(10,611)	(10,611)
30 June 2020	13,905	2,333	23,152	39,800	20,683	(100,498)	(625)
B ordinary shares issued in year	-	-	-	7,900	-	-	**7,900**
Gain on shareholder loan modification (note viii)	-	-	-	-	-	430	**430**
Loss for the year	-	-	-	-	-	(13,810)	**(13,810)**
30 June 2021	**13,905**	**2,333**	**23,152**	**47,700**	**20,683**	**(113,878)**	**(6,105)**

The accompanying notes on pages 36 to 41 form an integral part of this Statement of Changes in Equity.

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

i Accounting policies

Basis of accounting

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

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

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

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

The principal accounting policies are summarised below.

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts which extend to the end of the 2022/2023 football season. However, it is acknowledged that the continued global and UK presence of COVID-19 has had a profound impact on the Company and the Group in a number of respects.

With the temporary cessation of the 2019/20 football season during the pandemic, as noted in the previous Annual Report, this had a significant impact on the Club's match day income generation. For 2020/21 the majority of the season was completed behind closed doors, with no fans able to attend. As demonstrated in the financial information this has had a significant material impact on revenue generation for the year.

The director's have undertaken a number of proactive measures to partially mitigate this impact, both through cost control mechanisms and utilisation of the UK Government Job Retention Scheme for a number of its employees, During the year the Club also applied and was successful in obtaining an £8.3m business interruption loan from EFL to repay all debts to HMRC that were deferred under a time to pay arrangement. This loan is secured against future Premier League solidary distributions and is repayable over three seasons commencing with the 2021/22 season.

In line with the relaxing of COVID-19 restrictions, the start of the 2021/22 season has commenced free of restrictions on crowds at EFL matches, as well as a relaxation of restrictions around social distancing. Although the government have announced their 'Plan B' protocols in the event of rising infection rates and hospitalisations, this currently relates to use of face coverings, and potential use of vaccine status passports, rather than limits on capacities or return to games behind closed doors. Based on this guidance from UK Government the expectation from the board is for a full season with minimal disruption to normal operating activities from COVID-19.

In light of the potential impacts of COVID-19 and the various potential scenarios some of which require the Club to secure additional shareholder funding which is not yet guaranteed, the directors have identified a material uncertainty that may cast significant doubt over the Club's and hence the Group's ability to continue as a going concern for the foreseeable future.

With both the resumption of pre COVID-19 level EFL activities, and actions taken by the Directors in regards to significant financial and operational adjustments, it is the opinion of the directors that the club will remain solvent for the foreseeable future. As such, a return to the Club's previous financial position is expected in the medium/long term and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

At 30 June 2021, the Group had net liabilities of £6.1 million and net current liabilities of £6.1 million.

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

- cash flow projections prepared to 30 June 2022, and expected cash flow forecasts for the year thereafter, including the effect of player trading; and

- the continuing provision of facilities to the Group from Chestnut Hill Ventures LLC ("CHV"), a company controlled by the Chairman, John G Berylson. The repayment date on the existing £10 million loan facility was extended during the year to 1 July 2023, with interest accruing only from 1 July 2022. CHV has also undertaken to provide the Group with further support, if necessary, for at least the next 12 months, as it has done during the current and previous financial years.

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

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

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

Accounting policies (continued)

Investments

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

Taxation

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

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

Deferred tax balances are not discounted.

Financial instruments

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

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

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

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

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

- The determination of the fair value of loan note facilities on initial recognition. In assessing this fair value the directors have calculated the present value of the liability by discounting the total future cash flows using a market rate of interest.

- The determination of the carrying value of the Company's investments in its subsidiary undertakings. The directors have recognised an impairment provision in the year amounting to £13,279,000 (2020: £9,817,000) which has been determined by reference to the underlying net asset value of each of the subsidiary undertaking

iii Employees

The average number of employees of the Company during the year, including directors, was 8 (2020: 8). There were no employment costs borne by the Company in the current or prior year.

iv Loss for the year

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

	2021 ***£000***	***2020*** ***£000***
Auditors' remuneration for the audit of Company financial statements	**9**	9
Directors' emoluments – paid by subsidiaries	**365**	300

v Investments

	Shares in subsidiary undertakings £000	*Loan to subsidiary undertakings £000*	*Total £000*
Cost			
1 July 2020	400	104,961	105,361
Additions	-	7,796	7,796
30 June 2021	**400**	**112,757**	**113,157**
Amounts provided for			
1 July 2020	-	96,142	96,142
Provided in year	-	13,279	13,279
30 June 2021	**-**	**109,421**	**109,421**
Net book value			
30 June 2021	**400**	**3,336**	**3,736**
30 June 2020	400	8,819	9,219

At 30 June 2021, the Company's subsidiaries, which are incorporated, registered and operate in England and Wales, were The Millwall Football and Athletic Company (1985) PLC, a football club, and Millwall Properties Limited, a property development company. The Company owns 100% of the issued share capital and the voting rights of each of these companies.

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

vi Debtors

	2021 £000	*2020 £000*
Prepayments and accrued income	**-**	-
	-	-

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

vii Creditors: Amounts falling due within one year

	2021 £000	*2020 £000*
Accruals and deferred income	**143**	143
	143	143

viii Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Non-convertible loan notes	**9,472**	9,475
Interest accrued on loan notes	**226**	226
	9,698	9,701

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

The loan notes have a nominal value of £10,525,000 but, following a substantial modification to their terms in June 2021, were re-recognised at their fair value of £9,443,000. This discount to nominal value will be charged to profit and loss as a finance cost over the facility term. £28,839 of such discount has unwound since the June 2021 modification.

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

Non-convertible loan notes at 30 June 2021 and 30 June 2020 comprised the following:

- A £525,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2022 to 30 June 2023 (2020: 1 July 2021 to 30 June 2022). It is available to the Company until 1 July 2023 following a term extension in the year.

- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2022 to 30 June 2023 (2020: 1 July 2021 to 30 June 2022). It is available to the Company until 1 July 2023 following a term extension in the year.

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

The £20,000,000 facility is provided by CHV, the Company's immediate controlling party. During the year, CHV agreed to suspend the payment of interest on the facility until 1 July 2022, with effect from 1 January 2015. Interest payable of £405,555 has been recognised in the current year to represent the effective interest accruing under the revised terms.

The £525,000 facility holders also agreed to suspend the payment of interest on the facility until 1 July 2021, with effect from 1 January 2015. Interest payable of £21,292 has been recognised in the current year to represent the effective interest accruing under the revised terms.

The fair value of the financial assets and liabilities at 30 June 2021 and 30 June 2020 are not considered to be materially different from their book values, with the exception of the non-convertible loan notes which were deemed to have a fair value of £9,443,000 upon modification in June 2021 (unwound to £9,475,000 at 30 June 2020). The £430,000 gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

At 30 June 2021 loan note liabilities were due as follows:

	2021 £000	2020 £000
Amount payable		
– after one year but within two years	**-**	-
– after two years but within five years	**9,698**	9,701
	9,698	9,701

ix Share capital

	2021 Number	2020 Number
Allotted, called up and fully paid		
Ordinary shares of £10 each	**1,390,523**	1,390,523
B ordinary shares of £1 each	**47,700,000**	39,800,000
Deferred shares of 0.09p each	**2,592,087,167**	2,592,087,167
	2,641,177,690	2,633,277,690

	£000	£000
Allotted, called up and fully paid		
Ordinary shares of £10 each	**13,905**	13,905
B ordinary shares of £1 each	**47,700**	39,800
Deferred shares of 0.09p each	**2,333**	2,333
	63,938	56,038

B ordinary shares
During the year the Company issued 7,900,000 new B ordinary shares of £1 each, at par, for cash.

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

Deferred shares
The rights attaching to the deferred shares render them effectively valueless. The deferred shares do not carry any voting rights or rights to payment of a dividend. On a winding up of the Company or on a return of capital the deferred shares entitle the shareholders only to the repayment of the amounts paid up on those shares after the repayment of the capital paid up on the ordinary shares and the payment of £100,000 on each ordinary share. The deferred shares are non-redeemable.

Notes to the Accounts

for the year ended 30 June 2021 *(continued)*

x Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with wholly owned group undertakings that are consolidated within the Company's consolidated financial statements.

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

- A £20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2021 £10,000,000 (2020: £10,000,000) of this facility had drawn down.

- An interest free working capital facility which is repayable on demand. At 30 June 2021 £Nil (2020: £Nil) had been drawn down against this facility.

During the year, no interest (2020: £Nil) was charged under facilities provided by CHV since, as described in note 16, the charging of interest has been suspended until 1 July 2022. However, an effective interest charge of £426,848 (2020: £437,212) has been recognised in profit and loss in the year in respect of this facility.

During the year ended 30 June 2012, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director) and J Press, spouse of R Press (Non-Executive Director), subscribed for £300,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2021, the balance drawn under this facility was £300,000 (2020: £300,000). During the year, no interest (2020: £Nil) accrued under these facilities since, as described in note 16, the charging of interest has been suspended until 1 July 2022. Total accrued interest of £161,000 (2020: £161,000) remains unpaid at the balance sheet date. However, an effective interest charge of £12,167 (2020: £12,462) has been recognised in profit and loss in the year in respect of this facility.

During the year ended 30 June 2013, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), and J Press, spouse of R Press (Non-Executive Director), subscribed for £200,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2021, the balance drawn under this facility was £200,000 (2020: £200,000). During the year no interest (2020: £Nil) accrued under these facilities since, as described in note 16, the charging of interest has been suspended until 1 July 2021. Total accrued interest of £ 65,000 (2020: £65,000) remains unpaid at the balance sheet date. However, an effective interest charge of £9,125 (£2020: £8,308) has been recognised in profit and loss in the year in respect of this facility.

xi Subsequent events

There were no material subsequent events that require disclosure in the financial statements.

xii Ultimate controlling party

The Company is under the control of Chestnut Hill Ventures LLC, a company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by John G Berylson and Richard A Smith, as Trustee of the Phillip Smith dec'd Will Trust.