

**NORWICH CITY FOOTBALL  
CLUB PLC**

ANNUAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2013

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Company number 154044

# **NORWICH CITY FOOTBALL CLUB PLC**

## **ANNUAL REPORT**

**For the period ended 30 June 2013**

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Board of Directors	A J Bowkett (Chairman) M M Foulger (Deputy Chairman) D McNally (Chief Executive) S J Fry S J Phillips Ms D A Smith E M S Wynn Jones
Company Secretary	S Gordon (Director of Finance)
Other Senior Executives	C Hughton (Football Manager) A Blofeld (Club Secretary)
Company Number	154044
Registered Office	Carrow Road Norwich NR1 1JE
Auditor	BDO LLP 55 Baker Street London W1U 7EU

# **NORWICH CITY FOOTBALL CLUB PLC**

## **ANNUAL REPORT**

**For the period ended 30 June 2013**

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# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

The directors present their report and the consolidated financial statements for the period ended 30 June 2013

### Principal activities

The company's principal activity is that of a professional football club. The principal activities of the subsidiary undertakings are shown in note 14.

### Results and dividends

The profit for the period after taxation amounted to £523,000 (2012: £13,467,000).

A dividend on the 'A' preference shares of £550 (2012: £508) and on the 'B' preference shares of £112,000 (2012: £65,000) has been accrued for the period ended 30 June 2013 (note 10).

### Key performance indicators

The Club uses a variety of performance measures in order to monitor and manage the business effectively. These are both financial and non-financial measures and include the following key performance indicators (KPIs):

	2013	2012
Average league attendance (number)	26,672	26,606
Season tickets sold (number)	20,410	20,630
Player wage costs as a percentage of turnover (%)	39	34
Cash balance at the period end (£'000)	11,698	16,553
Group operating profit excluding player trading (£'000)	14,289	21,770
External debt (£'000)*	922	11,309

\*External debt is net debt less cash balances less debt held by or controlled by the Directors.

### Directors

The directors of the company who served during the period ended 30 June 2013 and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each		'B' preference shares of £1 each	
	30 June 2013	1 June 2012	30 June 2013	1 June 2012
A J Bowkett	1,117	1,117	-	-
M M Foulger	98,200	98,200	4,400	4,400
D McNally	100	100	-	-
S J Fry	300	300	-	-
S J Phillips	100	100	-	-
Ms D A Smith	100	100	-	-
E M S Wynn Jones	100	100	-	-
Ms D A Smith and E M S Wynn Jones (jointly)	327,309	327,309	3,025	3,025

None of the directors had a beneficial interest in the 'A' preference shares of £1 each.

### Directors and officers liability insurance

During the period ended 30 June 2013 the group maintained liability insurance for its directors and officers, as permitted by Section 233 of the Companies Act 2006.

### Share capital

During the period 548 (2012: 66) £1 ordinary shares were issued at a weighted average cost of £100 each (2012: £55) and £nil (2012: 2) 'B' £1 preference shares were issued at a weighted average cost of £nil each (2012: £100) (note 21).

# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

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### **Business review and future outlook**

2012/13 has been another good season for the Club, retaining Premier League status for a third successive year and improving on the previous seasons position by finishing in 11<sup>th</sup> position in the League. Operating profit of £2.4 million is less than the previous year's operating profit of £18.0 million due to investment in the playing squad. The net cash outflow of £4.9 million is due to the final loan repayment to Axa Investment Managers Limited being made in April 2013.

The Board of Directors have taken the decision to change the financial year end from 31 May to 30 June. The Club's year end was historically 30 June but was brought forward to 31 May in 2002 to allow the necessary time to complete the share issue undertaken that year. Player contracts are 1 July to 30 June and as a consequence this is the standard year end date for the majority of football clubs. With the recent introduction of enhanced financial regulation by both UEFA and the Premier League, it is considered appropriate to change the date back again this year to support changes to regulatory reporting.

The Club's future strategy is to invest all profits in to the playing squad in continued pursuit of becoming a sustainable Premier League Club.

### **Principal business risks, including financial risk management objectives and policies**

In common with other businesses, the group aims to minimise financial risk. The principal business risks are a reduction in attendances in the event that team performances are below supporters' expectations and that the Club has insufficient cash to meet its obligations for the 2013/2014 season and beyond. The directors have implemented a strategy to mitigate these risks. The group prepares 18 month rolling budgets and monitors actual performance against these budgets. In addition the group prepares rolling cashflow forecasts to make sure that cash is managed effectively. As part of the strategy, the Club has implemented a number of initiatives to ensure the group has sufficient cash resources to meet its day to day requirements (see going concern section below).

The financial assets that expose the group to financial risk include cash and trade debtors. Cash is held in bank accounts with Barclays Bank PLC. Trade debtors are monitored closely to minimise the risk of bad debts. The directors are of the opinion that the risks associated with the group's financial liabilities are well managed.

### **Going concern**

In assessing the appropriateness of the going concern assumption the directors have prepared detailed cash flow forecast scenarios covering a period to 30 June 2015 and have considered any uncertainties in relation to income and costs.

The scenarios have been prepared on the basis of both continued Premier League status and also Championship status and indicate that the Club can meet its liabilities as they fall due.

The directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

### **Charitable donations**

In the period to 30 June 2013, the Club worked very closely with Official Charity partner Norwich City Community Sports Foundation (CSF) and affected 50,000 individuals through participation in a number of different sporting initiatives in community settings.

Working together with the charity steering group, the Club has helped raise and contribute £177,584 through distribution of signed pennants, ground collections and specific charitable supported events organised through the Club and its official partners. In addition to this the Sporting Light Fan's Community Cashback has awarded £5,500 to successful applicants to date. The Club have also donated tickets and provided support and awareness to groups such as forces2canaries and the Royal British Legion whilst also supporting the awareness of many national campaigns such as Sport Relief, Kick It Out and Foodbank to name a few. The Clubs professional players have contributed 404 hours in attendance at community led initiatives.

# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

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### Payments to suppliers

The group's policy in relation to all its suppliers is to agree the terms of payment when agreeing the transaction and to abide by those terms, provided that it is satisfied that the supplier has provided the goods or service in accordance with the agreed terms and conditions. The group does not follow any code or standard of payment practice. The ratio expressed in days between amounts invoiced to the group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 41 (2012: 48) days.

### Asset values

Accounting Standards require the Club to value its assets using specific criteria. At the period end there was 20 players (2012: 18) for which the cost of their player registration has been capitalised and is still being amortised over the period of the respective players' contracts. The combined net book value of these players at 30 June 2013 was £13.9 million (2012: £11.3 million). The Carrow Road stadium and other land and buildings are currently stated at £30.1 million (2012: £30.3 million), being valued on a historical cost basis or an adopted valuation as detailed in note 13, less accumulated depreciation. In the opinion of the directors, the recoverable amount of the land and buildings at 30 June 2013 would exceed the book value included in the financial statements. A regular valuation undertaken by the Club's insurers during the period supports this opinion.

### Post balance sheet events

Details of post balance sheet events are given in note 33 to the financial statements.

### Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

In so far as each of the directors is aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD



S Gordon  
Company Secretary  
25 September 2013

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORWICH CITY FOOTBALL CLUB PLC**

We have audited the financial statements of Norwich City Football Club plc for the period ended 30 June 2013 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the consolidated and parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's APB's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2013 and of the group's profit for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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.

*BDO LLP*

*Ian Clayden (senior statutory auditor)*

*For and on behalf of BDO LLP, statutory auditor*

*London*

*25 September 2013*

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

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the period ended 30 June 2013

	Note	Operations excluding player trading £'000	Player trading £'000	13 months to June 2013 Total £'000	May 2012 Total £'000
Turnover group and share of joint venture	1, 2	75,039	-	75,039	74,608
Less share of joint venture turnover		(306)	-	(306)	(306)
<b>Group turnover</b>		<b>74,733</b>	<b>-</b>	<b>74,733</b>	<b>74,302</b>
Operating expenses	3	(64,387)	(13,406)	(77,793)	(57,681)
Other operating income	4	3,943	-	3,943	20
<b>Group operating profit</b>		<b>14,289</b>	<b>(13,406)</b>	<b>883</b>	<b>16,641</b>
Gain on disposal of players' registrations	5	-	801	801	646
Gain on disposal of tangible assets		456	-	456	528
Share of operating profit in joint venture		223	-	223	226
Share of operating profit in associate		76	-	76	4
Unrealised deficit on revaluation of investment property in joint venture		-	-	-	-
<b>Group operating profit including share of associate and joint venture</b>		<b>15,044</b>	<b>(12,605)</b>	<b>2,439</b>	<b>18,045</b>
Interest receivable and similar income					
- Group	8			74	34
Interest payable and similar charges	9				
- Group				(1,250)	(1,622)
- Share of joint venture				(115)	(123)
				(1,365)	(1,745)
<b>Profit on ordinary activities before tax</b>				<b>1,148</b>	<b>16,334</b>
Tax on profit on ordinary activities	11			(625)	(2,867)
<b>Profit for the financial period ended 30 June 2013</b>	23			<b>523</b>	<b>13,467</b>
All operations are continuing					

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the period ended 30 June 2013

	13 months to June 2013 £'000	May 2012 £'000
Profit for the financial period ended 30 June 2013	523	13,467
Unrealised deficit on revaluation of investment property in joint venture	-	-
<b>Total recognised gains relating to the period ended 30 June 2013</b>	<b>523</b>	<b>13,467</b>

The accompanying accounting policies and notes form an integral part of these financial statements



# NORWICH CITY FOOTBALL CLUB PLC

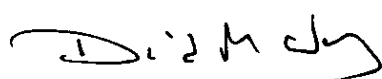
## CONSOLIDATED BALANCE SHEET AT 30 JUNE 2013

Company number 154044

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Intangible fixed assets	12	13,909	11,339
Tangible fixed assets	13	30,140	30,258
Investment in associated undertaking	14	105	47
		<u>44,154</u>	<u>41,644</u>
<b>Current assets</b>			
Stocks	15	776	603
Debtors	16	12,795	12,260
Cash at bank and in hand		11,698	16,553
		<u>25,269</u>	<u>29,416</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(49,057)</u>	<u>(49,786)</u>
<b>Net current liabilities</b>		<u>(23,788)</u>	<u>(20,370)</u>
<b>Total assets less current liabilities</b>		<u>20,366</u>	<u>21,274</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(2,242)	(3,961)
<b>Deferred grant income</b>	18	(1,976)	(2,072)
<b>Provisions for liabilities</b>	20	(605)	(167)
<b>Investment in joint venture</b>	14		
- share of gross assets		2,823	2,702
- share of gross liabilities		(3,352)	(3,340)
		<u>(529)</u>	<u>(638)</u>
<b>Net assets</b>		<u>15,014</u>	<u>14,436</u>
<b>Capital and reserves</b>			
Called up equity share capital	21	617	616
Share premium account	22	10,726	10,672
Revaluation reserves	22	71	71
Capital redemption reserve	22	34	34
Profit and loss account	23	3,566	3,043
<b>Shareholders' funds</b>	24	<u>15,014</u>	<u>14,436</u>

The financial statements were approved by the board of directors, signed and authorised for issue on 25 September 2013 and signed on its behalf by

D McNally Director



The accompanying accounting policies and notes form an integral part of these financial statements

# NORWICH CITY FOOTBALL CLUB PLC

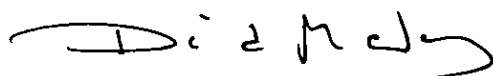
## COMPANY BALANCE SHEET AT 30 JUNE 2013

Company number 154044

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Intangible fixed assets	12	13,909	11,339
Tangible fixed assets	13	30,351	30,068
Fixed asset investments	14	242	341
		<u>44,502</u>	<u>41,748</u>
<b>Current assets</b>			
Stocks	15	776	603
Debtors	16	12,726	12,753
Cash at bank and in hand		11,698	16,553
		<u>25,200</u>	<u>29,909</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(48,944)</u>	<u>(49,455)</u>
<b>Net current liabilities</b>		<u>(23,744)</u>	<u>(19,546)</u>
<b>Total assets less current liabilities</b>		<u>20,758</u>	<u>22,202</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(2,242)	(3,961)
<b>Deferred grant income</b>	18	<u>(1,976)</u>	<u>(2,072)</u>
<b>Net assets</b>		<u>16,540</u>	<u>16,169</u>
<b>Capital and reserves</b>			
Called up equity share capital	21	617	616
Share premium account	22	10,726	10,672
Revaluation reserve	22	71	71
Capital redemption reserve	22	34	34
Profit and loss account	23	5,092	4,776
<b>Shareholders' funds</b>	24	<u>16,540</u>	<u>16,169</u>

The financial statements were approved by the board of directors, signed and authorised for issue on 25 September 2013 and signed on its behalf by

D McNally Director



The accompanying accounting policies and notes form an integral part of these financial statements.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

	Note	13 months to June 2013		May 2012	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	25		26,317		30,493
Dividends from associated undertakings			-		6
Returns on investments and servicing of finance	26		(2,374)		(3,203)
Capital expenditure and financial investment	26		(17,918)		(9,570)
Tax paid			(144)		-
<b>Net cash inflow before financing</b>			<b>5,881</b>		<b>17,726</b>
<b>Financing</b>					
Issue of shares	26	55		4	
Decrease in debt	26	(10,791)		(5,297)	
			<b>(10,736)</b>		<b>(5,293)</b>
<b>(Decrease)/increase in cash in the period ended 30 June 13</b>	27		<b>(4,855)</b>		<b>12,433</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

For the period ended 30 June 2013

	Note	13 months to June 2013	May 2012
		£'000	£'000
(Decrease)/increase in cash in the period ended 30 June 2013	27	(4,855)	12,433
Cash inflow from decrease in debt	27	10,791	5,297
<b>Change in net funds resulting from cash flows</b>		<b>5,936</b>	<b>17,730</b>
Net funds at 1 June 2012		952	(16,778)
<b>Net funds at 30 June 2013</b>	27	<b>6,888</b>	<b>952</b>

The accompanying accounting policies and notes form an integral part of these financial statements

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

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### 1 ACCOUNTING POLICIES

#### (a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention, as modified by the valuation of certain freehold land and buildings and the investment property in the joint venture company. In addition, the financial statements have also been prepared in accordance with the document 'Financial Reporting Guidance for Football Clubs' issued by The Football League, The FA Premier League and the FA.

#### (b) Going concern

In assessing the appropriateness of the going concern assumption the directors have prepared detailed cash flow forecast scenarios covering a period to 30 June 2015 and have considered any uncertainties in relation to income and costs.

The scenarios have been prepared on the basis of both continued Premier League status and also Championship status and indicate that the Club can meet its liabilities as they fall due.

The directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

#### (c) Consolidated financial statements

The financial statements incorporate the financial statements of Norwich City Football Club PLC and its subsidiary undertakings. With the exception of Kerrison Hotel Limited, which has a year end of 31 March 2013, the financial statements of all group undertakings are made up to 30 June 2013. A separate profit and loss account has not been included for Norwich City Football Club PLC by virtue of Section 408 of the Companies Act 2006. The profit for the period ended 30 June 2013 relating to this company of £316,000 (2012: £12,724,000) is included in the consolidated profit and loss account.

Associates and joint ventures are accounted for in accordance with Financial Reporting Standard 9 'Associates and Joint Ventures'. The joint venture in Kerrison Hotel Limited is consolidated proportionately at 30%, being the Kerrison Developments Limited share in the joint venture. The associate holding in Eventguard Limited is consolidated using the equity method at 24.9% being the Club's shareholding in the associate.

#### (d) Turnover

Turnover comprises net gate and ticket receipts, sports contracts, television and sponsorship revenue, catering, shop, programme, lottery and rental income, excluding value added tax. Turnover is the total amount excluding value added tax, receivable by the group in the ordinary course of business. Net gate and ticket receipts are recognised when the match is played, sports contracts, television and sponsorship revenue are recognised over the contract or sponsorship period, rental income is recognised over the rental period and all other income is recognised as it becomes receivable in line with the service provided.

#### (e) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

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### 1 ACCOUNTING POLICIES (CONTINUED)

#### (f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- not depreciated
Freehold buildings	- straight line over 40 to 50 years or remaining useful life if less
Plant and machinery	- straight line over 5 to 10 years
Motor vehicles	- straight line over 5 years

#### (g) Leases

Rentals applicable on operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account on a straight line basis over the term of the lease. The cost of assets acquired on finance leases and on hire purchase contracts are capitalised and written off over the estimated useful life of the asset. Lease finance charges represent a constant proportion of the capital balance outstanding and are allocated to accounting periods during the term of the lease.

#### (h) Stocks

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

#### (i) Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19 'Deferred Taxation', provision is made for deferred taxation liabilities in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax balances are not discounted.

#### (j) Deferred grant income

Grants relating to freehold buildings are being released to the profit and loss account on a straight line basis over 50 years or over the remaining useful life of the building if less.

#### (k) Pensions

The group participates in a defined contribution pension scheme for certain employees and contributes to certain employees' personal pension schemes. The pension charge represents the amount payable by the group to the fund in respect of the period.

The Group is one of a number of participating employers in the Football League Limited Pension and Life Assurance Scheme. The Group 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. Full provision has been made for the additional contributions that the Group has been requested to pay to help fund the scheme deficit.

The assets of all schemes are held in funds independent from the group.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (l) Transfer income and intangible assets

Transfer income is credited to the profit and loss account, after deducting the net book value of the relevant player's registration. In accordance with Financial Reporting Standard 10 'Goodwill and Intangible Assets' and Financial Reporting Guidance for Football Clubs, transfer fees, transfer levies payable and agents fees are capitalised as intangible assets. Amortisation is provided at rates calculated to write off the cost of the transfer over the duration of the player's contract.

Payments, which are contingent on the appearances and/or performance of a player, are not recognised as provisions until the events crystallising such payments are considered probable.

#### (m) Impairment

Management does not consider it possible to determine the value in use of an individual player in isolation, as that player cannot generate cash flows on his own. However, in circumstances where it is apparent that as at the period end the player would not be available for selection to play for the club again, the player is taken outside of the wider cash generating unit and valued on a net realisable value basis, being management best estimate of the player's fair value less cost to sell, with any resulting impairment charge being made in operating expenses. Examples of such circumstances include the player falling out of favour of the senior football management, career threatening injury and a clear intention on behalf of the player to leave the club. Management's assessment of fair value will be based on:

- in the case of a player that has fallen out of favour with senior football management or intends to leave the club, either the agreed selling price if a transfer has been agreed subsequent to the year end or, if a transfer has not yet been agreed, management's best estimate of disposal value taking into account relevant transfer market information, or
- in the case of a player who has suffered a career threatening injury, the value attributed by the company's insurers

#### (n) Finance costs

The finance costs of debt are allocated to periods over the term of the debt at a constant rate on the carrying amount. The carrying amount of debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debt in that period. Immediately after issue, debt is stated at the amount of net proceeds, which will be net of issue costs.

### 2 TURNOVER

Turnover in respect of the business operations comprised

	2013 £'000	2012 £'000
Gate receipts and ticket sales	11,649	11,338
Broadcasting (FA & League income)	49,032	48,525
Media	335	405
Catering	4,513	4,314
Commercial	7,590	6,723
Concert	-	1,249
UEFA Solidarity & Prize Money	822	725
Other income	792	1,023
Group turnover	74,733	74,302
Share of turnover in joint venture	306	306
Group and share of joint venture	75,039	74,608

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

### 3 OPERATING EXPENSES

Total operating expenses comprised

	2013 £'000	2012 £'000
Staff costs (note 6)	50,814	36,768
Depreciation of tangible fixed assets (note 13) - owned by the group	1,861	1,609
Auditor's remuneration - audit of the company's financial statements	26	26
- other services - audit of the company's subsidiaries	4	4
- tax services	15	22
Operating lease rentals	446	221
Other operating expenses	11,221	12,733
	<hr/>	<hr/>
Amortisation and impairment of intangible fixed assets (note 12)	64,387	51,383
	13,406	6,298
	<hr/>	<hr/>
Total operating expenses	77,793	57,681

### 4 OTHER OPERATING INCOME

	2013 £'000	2012 £'000
Loan player income	2,372	-
Compensation fees	1,544	-
Donations	28	20
	<hr/>	<hr/>
	3,944	20

### 5 GAIN ON DISPOSAL OF PLAYERS' REGISTRATIONS

	2013 £'000	2012 £'000
Gain on disposal of players' registrations	707	533
Appearance related receipts for former players	94	113
	<hr/>	<hr/>
	801	646

### 6 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £'000	2012 £'000
Wages and salaries	45,877	29,591
Other employment costs (including loan players)	389	2,956
	<hr/>	<hr/>
Social security costs	46,266	32,547
Pension costs (note 3)	4,504	3,620
	44	601
	<hr/>	<hr/>
	50,814	36,768

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

The average monthly number of regular employees, including directors, during the period ended 30 June 2013 was as follows

	Number of employees	
	2013	2012
Directors	7	7
Football (including academy and football support staff)	124	85
Other	142	118
	<u>273</u>	<u>210</u>

### 7 DIRECTORS' REMUNERATION

	2013	2012
	£'000	£'000
<b>Total and highest paid director</b>		
Aggregate emoluments and benefits	1,640	1,389
Contributions to money purchase pension scheme (one (2012 one) director)	76	144
	<u>1,716</u>	<u>1,533</u>

Aggregate emoluments include performance related bonuses of £867,000 (2012 £967,000) for achieving financial targets in the period and retention of Premier League status

### 8 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£'000	£'000
<b>Bank interest receivable</b>		
Group	74	34
	<u>74</u>	<u>34</u>

### 9 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£'000	£'000
<b>Group</b>		
Bank loans and overdrafts	286	330
Loan notes		
- interest charges	659	1,055
Other similar charges	136	138
	<u>1,081</u>	<u>1,523</u>
Pension liability (note 29)	57	33
Finance charges on shares classified as liabilities (note 10)	112	66
	<u>1,250</u>	<u>1,622</u>
<b>Joint venture</b>		
Bank loan	115	123
	<u>1,365</u>	<u>1,745</u>



# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

### 10 DIVIDENDS ON SHARES CLASSIFIED AS FINANCIAL LIABILITIES

	2013 £'000	2012 £'000
<b>Dividend payable</b>		
'A' preference shares	1	1
'B' preference shares	111	65
	<u>112</u>	<u>66</u>

### 11 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### a. Analysis of tax charge for the period ended 30 June 2013:

	2013 £'000	2012 £'000
<b>Based on the group profit for the period ended 30 June 2013</b>		
<i>Current tax</i>		
UK Corporation tax on profit of the period ended 30 June 2013 (note 0b)	(585)	(153)
Adjustments in respect of prior periods	-	(4)
	<u>(585)</u>	<u>(157)</u>
<i>Deferred tax</i>		
Current period (note 19)	(40)	(2,710)
	<u>(625)</u>	<u>(2,867)</u>
<b>Tax on profit on ordinary activities</b>		
	<u>(625)</u>	<u>(2,867)</u>

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE ANNUAL REPORT

For the period ended 30 June 2013

### TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

#### b Factors affecting the tax charge for the period ended 30 June 2013:

The tax assessed for the period ended 30 June 2013 is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	1,148	16,334
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012: 25.7%)	273	4,191
Expenses not deductible for tax purposes (net of income not taxable)	429	305
Capital allowances in excess of deficit of depreciation	(52)	(265)
Sale of freehold land	8	89
Marginal relief	(5)	-
Other timing differences	85	76
Utilisation of losses brought forward	(187)	(4,243)
Adjustment in respect of prior periods	(9)	4
Over provision of current years corporation tax	43	-
	<b>585</b>	<b>157</b>

#### c. Factors that may affect future tax charges:

No provision has been made for deferred tax on gains recognised on the revalued land or capital gains which have been rolled over into other group assets as it is the intention to retain ownership of the revalued land and core capital assets for use in the existing business for the foreseeable future. As a result of the changes implemented by the 2012 Finance Act, the rate of corporation tax in the United Kingdom will reduce from 23% to 21% next year.

## 12 INTANGIBLE FIXED ASSETS

Group and company	Players' registrations £'000
Cost	
At 1 June 2012	19,962
Additions	17,406
Disposals	(5,306)
At 30 June 2013	32,062
Amortisation	
At 1 June 2012	8,623
Charge for the period ended 30 June 2013	10,567
Disposals	(3,876)
Impairments	2,839
At 30 June 2013	18,153
Net book value at 30 June 2013	<b>13,909</b>
Net book value at 31 May 2012	11,339

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 13 TANGIBLE FIXED ASSETS

	Assets in the course of construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Group</b>					
Cost or valuation					
At 1 June 2012	-	41,905	7,856	11	49,772
Additions	946	846	352	-	2,144
Disposals	-	(401)	-	-	(401)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	946	42,350	8,208	11	51,515
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 June 2012	-	12,896	6,611	7	19,514
Charge for the period ended 30 June 2013	41	1,567	250	3	1,861
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	41	14,463	6,861	10	21,375
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 June 2013	<b>905</b>	<b>27,887</b>	<b>1,347</b>	<b>1</b>	<b>30,140</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 May 2012	-	29,009	1,245	4	30,258
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of freehold land and buildings comprises

	2013 £'000	2012 £'000
<b>Assets at adopted valuation (per FRS 15)</b>		
Land (not depreciated)	2,483	2,483
<b>Assets at cost</b>		
Land (not depreciated)	1,325	1,726
Buildings and infrastructure	24,079	24,800
	<hr/>	<hr/>
	<b>27,887</b>	<b>29,009</b>
	<hr/>	<hr/>

If the amount of the revalued land had been determined according to historical cost accounting rules, the book value of the land would have been as follows

	2013 £'000	2012 £'000
Cost and net book value	<b>2,412</b>	<b>2,412</b>
	<hr/>	<hr/>

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 13 TANGIBLE FIXED ASSETS (CONTINUED)

	Assets in the course of construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Company</b>					
Cost or valuation					
At 1 June 2012	-	41,672	7,857	11	49,540
Additions	946	847	351	-	2,144
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	946	42,519	8,208	11	51,684
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 June 2012	-	12,854	6,611	7	19,472
Charge for the period ended 30 June 2013	41	1,567	250	3	1,861
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	41	14,421	6,861	10	21,333
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 June 2013	905	28,098	1,347	1	30,351
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 May 2012	-	28,818	1,246	4	30,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of freehold land and buildings comprises

	2013 £'000	2012 £'000
<b>Assets at adopted valuation (per FRS 15)</b>		
Land (not depreciated)	1,917	1,917
<b>Assets at cost</b>		
Land (not depreciated)	2,185	2,185
Buildings and infrastructure	23,996	24,716
	<hr/>	<hr/>
	28,098	28,818
	<hr/>	<hr/>

If the amount of the revalued land had been determined according to historical cost accounting rules, the book value of the land would have been as follows

	2013 £'000	2012 £'000
Cost and net book value	1,846	1,846
	<hr/>	<hr/>

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 14 FIXED ASSET INVESTMENTS

	Group Interest in joint venture £'000	Group Interest in associated undertaking £'000	Company Investment in associated undertaking £'000	Company Investment in subsidiary undertakings £'000
Cost				
At 1 June 2012	(638)	47	28	940
Share of result and movement in equity for the period	109	58	-	-
At 30 June 2013	(529)	105	28	940
Amounts written off				
At 1 June 2012	-	-	-	627
Movement in the period	-	-	-	99
At 30 June 2013	-	-	-	726
Net book value at 30 June 2013	(529)	105	28	214
Net book value at 31 May 2012	(638)	47	28	313

#### Subsidiary undertakings

The subsidiary undertakings, which were incorporated in England and Wales and are included within the consolidated financial statements at 30 June 2013, are as follows

Company	% owned	Principal Activity
N C F C (Holdings) Limited	100%	Property holding company
Kerrison Holdings Limited	100%	Provision of car park facilities and property development
Kerrison Developments Limited	100%	Interest in joint venture

#### Associated undertaking

Norwich City Football Club PLC owns 24.9% of the shares in EventGuard Limited

#### Joint venture

The interest in the joint venture, Kerrison Hotel Limited, comprises £2 (2012 £2) of share capital and £529,000 share of post-acquisition profits and unrealised losses of the company (2012 £638,000 share of post-acquisition profits and unrealised losses of the company). The financial statements of Kerrison Hotel Limited are made up to 31 March 2013.

The investment represents 100% of the issued 'A' ordinary share capital of the joint venture. Norwich City Football Club PLC does not have any interest in the 'B' ordinary share capital.

In accordance with the joint venture agreement, the income and profits are apportioned between the 'A' and 'B' ordinary shareholders in the ratio of 30% and 70% respectively.

The principal activity of the joint venture company is to manage a hotel at Carrow Road, Norwich.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 15 STOCKS

	Group and company	
	2013	2012
	£'000	£'000
Goods for resale	776	603

### 16 DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<b>Due within one year</b>				
Trade debtors	6,046	6,473	6,046	6,473
Amounts due from subsidiary undertakings	-	-	35	835
Deferred tax asset (note 19)	374	414	374	414
Other debtors	403	4,557	299	4,453
Prepayments and accrued income	5,972	816	5,972	578
	<u>12,795</u>	<u>12,260</u>	<u>12,726</u>	<u>12,753</u>

Within prepayments and accrued income is an amount of £4,661,000 (2012 £165,212) relating to deposit payments for the acquisition of players

### 17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans	200	1,219	200	1,219
Loan notes	-	9,071	-	9,071
Director's loans	3,146	3,549	3,146	3,549
Trade creditors	7,308	7,349	7,308	7,349
Receipts in advance	12,639	9,211	12,639	9,211
Other taxes and social security	6,843	4,576	6,843	4,576
Corporation tax	575	153	575	134
4 5% 'B' preference shares of £1 each	1,454	1,552	1,454	1,552
Dividends payable on shares classified as financial liabilities	66	149	66	149
Other creditors	114	361	114	361
Amounts owed to subsidiary undertakings	-	-	159	-
Accruals and deferred income	16,712	12,596	16,440	12,284
	<u>49,057</u>	<u>49,786</u>	<u>48,944</u>	<u>49,455</u>

Director's loans of £3,146,000 (2012 £3,549,000) are unsecured and interest free

The 4 5% 'B' preference shares of £1 each are classified as repayable within one year. Where valid requests have been received, subject to the Company being permitted to do so in accordance with its Articles of Association, redemption will (subject to when the valid request was received) take place on either 1 January 2014 or the date at which all arrears of dividends have been paid to the B preference share holders.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans	-	200	-	200
Receipts in advance	368	567	368	567
5 25% 'A' preference shares of £1 each	10	10	10	10
Accruals and deferred income	1,864	3,184	1,864	3,184
	<u>2,242</u>	<u>3,961</u>	<u>2,242</u>	<u>3,961</u>

The amounts falling due after more than one year fall due for repayment as follows

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<b>In one to two years</b>				
Bank loans	-	200	-	200
Receipts in advance	368	321	368	321
Accruals and deferred income	1,448	2,202	1,448	2,202
	<u>1,816</u>	<u>2,723</u>	<u>1,816</u>	<u>2,723</u>

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<b>In two to five years</b>				
Receipts in advance	-	246	-	246
Accruals and deferred income	358	852	358	852
	<u>358</u>	<u>1,098</u>	<u>358</u>	<u>1,098</u>

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<b>In more than five years</b>				
5 25% 'A' preference shares of £1 each	10	10	10	10
Accruals and deferred income	58	130	58	130
	<u>68</u>	<u>140</u>	<u>68</u>	<u>140</u>

A bank loan of £1,500,000, of which £200,000 (2012 £1,419,000) was outstanding at the period end, was repaid in full in July 2013

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 18 DEFERRED GRANT INCOME

	Group and company	
	2013	2012
	£'000	£'000
Deferred grant income		
At 1 June 2012	2,072	2,162
Credited to profit and loss account	(96)	(90)
At 30 June 2013	1,976	2,072

### 19 DEFERRED TAXATION

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Deferred tax asset				
At 1 June 2012	414	3,124	414	3,124
Additional tax losses arising	-	1,755	-	1,755
Debited to profit and loss account (note a)	(40)	(4,465)	(40)	(4,465)
At 30 June 2013 (note 16)	374	414	374	414

The unprovided deferred tax (liability) at 30 June 2013 shown below has not been recognised due to the uncertainty surrounding its (reversal)/recovery

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(26)	(13)	(26)	(13)
Unprovided (liability) at 30 June 2013	(26)	(13)	(26)	(13)

The deferred tax liability for accelerated capital allowances predominantly relates to the capital allowances claimed on the construction of the hotel in the joint venture company, which will only be realised if the hotel is subsequently sold

### 20 PROVISION FOR LIABILITIES

The provision relates to further expenditure required by a group undertaking for utility services and other amenities in connection with the sale of land in 2004. The provision represents the directors' best current estimate of the cost of carrying out this work over the next two years

	Group	
	2013	2012
	£'000	£'000
At 1 June 2012	167	203
Provision utilised	(167)	(36)
Revaluation of provision	605	-
At 30 June 2013	605	167



# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 21 CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Allotted, called up and fully paid		
Equity interest		
616,666 (2012 616,118) ordinary shares of £1 each	617	616
Interest in shares classified as financial liabilities		
9,675 5 25% 'A' preference shares of £1 each	10	10
14,454 (2012 15,523) 4 5% 'B' preference shares of £1 each	14	16
Total interest in shares classified as financial liabilities	24	26

During the period 548 (2012 66) £1 ordinary shares were issued at an average cost of £100 each (2012 £55 each) and nil (2012 2) 'B' £1 preference shares were issued at a cost of £nil each (2012 £100 each). The total proceeds were £54,800 (2012 £3,600). An amount of £54,252 (2012 £3,534) has been credited to the share premium account in respect of the £1 ordinary shares (note 22).

The holders of the 'A' preference shares have the right to preference dividends at a rate of 5.25% per annum on the nominal value in priority to holders of any other shares. The holders of 'B' preference shares have the right to a cumulative preferential cash dividend at 4.5% of issue price, subject to the payment of the 'A' preference dividend, but in priority to dividends on ordinary shares.

The 'A' preference shares are not redeemable, therefore the par value of the shares has been shown as a liability due in more than five years.

The holders of the 'B' preference shares have an option to redeem their shares in any year the Club achieves or retains promotion to the Premier League. The 'B' shares are redeemable at £100 per share and, as the redemption date is January 2014 or earlier, the shares have been classified as a liability due within one year.

In the event of a winding up order on the company, the holders of preference shares have the right only to repayment of capital paid up thereon and arrears of preference dividends to the date of payment but shall not have any further right to participate in profits or surplus assets.

The 'A' and 'B' preference shareholders do not have the right to vote at General Meetings of the company, except on resolutions proposing the winding up of the company or where the preference dividend is in arrears for more than 12 months.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 22 RESERVES

	Group 2013 £'000	Company 2013 £'000
<b>Share premium account</b>		
At 1 June 2012	10,672	10,672
Premium on shares issued during the period ended 30 June 2013 (note 21)	54	54
	<hr/>	<hr/>
At 30 June 2013	10,726	10,726
	<hr/>	<hr/>
<b>Revaluation reserve</b>		
At 1 June 2012 and 30 June 2013	71	71
	<hr/>	<hr/>
<b>Capital redemption reserve</b>		
At 1 June 2012 and 30 June 2013	34	34
	<hr/>	<hr/>

### 23 PROFIT AND LOSS ACCOUNT

	Group 2013 £'000	Company 2013 £'000
Balance at 1 June 2012	3,043	4,776
Profit for the financial period ended 30 June 2013	523	316
	<hr/>	<hr/>
Balance at 30 June 2013	3,566	5,092
	<hr/>	<hr/>

### 24 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial period ended 30 June 2013	523	13,467
Ordinary shares issued during the period ended 30 June 2013	1	-
Premium on ordinary shares issued during the period ended 30 June 2013	54	4
	<hr/>	<hr/>
Net increase in shareholders' funds	578	13,471
Shareholders' funds at 1 June 2012	14,436	965
	<hr/>	<hr/>
Shareholders' funds at 30 June 2013	15,014	14,436
	<hr/>	<hr/>

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 25 RECONCILIATION OF GROUP OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Group operating profit	883	16,641
Impairment of intangible fixed assets	2,839	1,169
Amortisation of intangible fixed assets	10,567	5,129
Depreciation of tangible fixed assets	1,861	1,609
Increase in stocks	(173)	(162)
Increase in debtors	(740)	(4,642)
Increase in creditors	10,738	10,874
Deferred grant income	(97)	(89)
Increase/(decrease) in provision	439	(36)
Net cash inflow from operating activities	26,317	30,493

### 26 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £'000	2012 £'000
<b>Returns on investments and servicing of finance</b>		
Interest received	74	34
Interest paid	(2,253)	(3,237)
Preference dividends paid	(195)	-
	(2,374)	(3,203)
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(19,742)	(10,401)
Purchase of tangible fixed assets	(1,271)	(1,022)
Proceeds from sale of intangible fixed assets	2,395	688
Proceeds from sale of tangible fixed assets	700	1,165
	(17,918)	(9,570)
<b>Financing</b>		
Issue of ordinary shares and share premium	55	4
New loans	-	-
Repayments of loans	(10,791)	(5,297)
Capital element of finance lease rentals	-	-
	(10,736)	(5,293)

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### 27 ANALYSIS OF NET DEBT

	At 1 June 2012 £'000	Cash flow £'000	Transfer £'000	At 30 June 2013 £'000
<b>Cash balances</b>				
Cash at bank and in hand	16,553	(4,855)	-	11,698
Bank overdraft	-	-	-	-
	<u>16,553</u>	<u>(4,855)</u>	<u>-</u>	<u>11,698</u>
<b>Debt</b>				
Debt due within one year	(13,839)	10,693	(200)	(3,346)
Debt due after one year	(200)	-	200	-
	<u>(14,039)</u>	<u>10,693</u>	<u>-</u>	<u>(3,346)</u>
<b>Preference shares</b>				
'A' preference shares	(10)	-	-	(10)
'B' preference shares	(1,552)	98	-	(1,454)
	<u>(1,562)</u>	<u>98</u>	<u>-</u>	<u>(1,464)</u>
<b>Net funds</b>	<u>952</u>	<u>5,936</u>	<u>-</u>	<u>6,888</u>

### 28 CONTINGENT LIABILITIES

Additional payments amounting to a maximum of £5,573,000 (2012 £4,489,000) will become payable if certain conditions in transfer and player contracts at 30 June 2013 are fulfilled. Additional signing on fees up to a maximum of £7,472,500 (2012 £2,310,500) will become payable to players subject to the terms and conditions of their contracts being fulfilled.

### 29 PENSION SCHEMES

#### Money purchase pension scheme

During the period the group participated in a money purchase scheme and the Football League Limited Pension and Life Assurance Scheme, for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the group. Contributions to this scheme during the period ended 30 June 2013 amounted to £19,000 (2012 £17,000). At 30 June 2013 there were outstanding contributions of £2,000 (2012 £2,000).

#### Employees' personal pension schemes

During the period the group made contributions to certain employees' personal pension schemes. Contributions to these schemes during the period ended 30 June 2013 amounted to £26,000 (2012 £182,000). At 30 June 2013 there were outstanding contributions of £3,000 (2012 £3,000).

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### PENSION SCHEMES (CONTINUED)

#### Football League Final Salary Scheme

The Football League Final Salary scheme is administered nationally and is now closed to new members. The latest actuarial valuation, which was undertaken in 2011, indicated that the scheme remains in deficit and, in accordance with the scheme rules, Norwich City Football Club PLC, along with the other football clubs, are required to make payments to the pension scheme to reduce the deficit. Interest is charged by the pension scheme on the outstanding amount at approximately 7.6% per annum and interest of £57,000 (2012: £37,000) was payable during the period ended 30 June 2013. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately six (2012: seven) years to September 2019. The total amount payable to the pension scheme at 30 June 2013, including accumulated interest, was £655,000 (2012: £711,000) and is included in accruals and deferred income.

### 30 OPERATING LEASE COMMITMENTS

The group and company had annual commitments under non-cancellable operating leases as set out below:

	2013		2012	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date				
Within one year	51	126	-	-
Between one and two years	-	7	-	126
Between two and five years	206	-	88	7
	<u>257</u>	<u>133</u>	<u>88</u>	<u>133</u>

### 31 RELATED PARTY TRANSACTIONS

#### Loans due to directors and their companies

The Company has taken advantage of the exemption conferred by FRS 8 'Related Party disclosures' not to disclose transactions or balances with entities which form part of the group headed by the Company.

At 30 June 2013, the following balances were outstanding on loans advanced to the group and company:

	Group and company	
	2013	2012
	£'000	£'000
Ms D A Smith and E M S Wynn Jones	2,029	2,109
M M Foulger	1,117	1,440

The loan advanced by Ms D A Smith and E M S Wynn Jones is interest free and repayable on demand, subject to the Club not having any indebtedness or liability to Bank of Scotland.

The loan advanced by M M Foulger is interest free and repayable upon Ms D A Smith and E M S Wynn Jones ceasing between them to be the registered holders of at least 30% of the ordinary share capital of the company, subject to the Club not having any indebtedness or liability to Bank of Scotland.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2013

### RELATED PARTY TRANSACTIONS (CONTINUED)

#### Transactions with directors and their companies

	Group and company Sales		Group and company Purchases	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Ms D A Smith and E M S Wynn Jones (joint)	6	-	-	-
M M Foulger	7	11	-	-
Banham Poultry Limited (M M Foulger)	(27)	26	-	-

At 30 June 2013 and 31 May 2012 the following balances (inclusive of value added tax) were outstanding

	Group and company Sales ledger		Group and company Purchase ledger	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Ms D A Smith and E M S Wynn Jones (joint)	4	-	-	-
M M Foulger	-	2	-	-
Banham Poultry Limited (M M Foulger)	(1)	22	-	-

#### Transactions with the joint venture company

At 30 June 2013 the group owed £2 (2012 £2) to Kerrison Hotel Limited, being the called up share capital not paid on the 'A' ordinary shares of Kerrison Hotel Limited. In respect of trading transactions, £69,000 (2012 £69,000) was owed to Kerrison Hotel Limited, and an amount of £18,000 (2012 £14,240) was owed to the Club

### 32 RELATED PARTY TRANSACTIONS AND CONTROL

At 30 June 2013 Ms D A Smith and her husband and co-director, E M S Wynn Jones owned 53.1% (2012 53.1%) of the issued capital of the company. In accordance with Financial Reporting Standard 8 'Related Party Disclosures', the Board have concluded that ultimate control of the company vests in these related parties

### 33 POST BALANCE SHEET EVENTS

#### Transfer of players' registrations

Subsequent to the year end the Club has acquired the registrations of players Van Wolfswinkel, Nash, Redmond, Olsson, Fer, Hooper and Elmander

The Club also sold the registrations of Vaughan, Holt, Barnett and Butterfield for an amount in excess of the carrying value at the balance sheet date

The net payment to which the club is committed to in respect of these transactions is £20.1m with a maximum further amount due of £8.0m dependent on Club and/or player performance

The accompanying accounting policies and notes form an integral part of these financial statements