

Aston Villa FC Limited

Directors' report and financial statements  
for the year ended 31 May 2011

Registered number 2502822

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# **Aston Villa FC Limited**

## **Directors' report and financial statements for the year ended 31 May 2011**

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# **Aston Villa FC Limited**

## **Directors and advisors for the year ended 31 May 2011**

### **Directors**

Mr R Russell  
Mr P Faulkner

### **Company Secretary**

Mr R Russell

### **Registered office**

Villa Park  
Trinity Road  
Birmingham  
West Midlands  
B6 6HE

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **Aston Villa FC Limited**

## **Directors' report for the year ended 31 May 2011**

The directors present their annual report on the affairs of the company, together with the audited financial statements of the company for the year ended 31 May 2011

### **Principal activities**

The company is engaged in the activities of football and football management and there has been no significant change therein during the year

### **Business review**

The season culminated in a final league place of 9<sup>th</sup> compared to the previous season where a 6<sup>th</sup> place finish was achieved

Turnover for the year amounted to £95,555,700 (2010 £80,062,087), and is, in the main, determined by reference to a trading agreement with another group company. Administrative expenses amounted to £88,483,123 (2010 £71,434,181), an increase arising from the cost of improved salary packages required to attract top professionals to the company

Amounts totalling £41,098,818 (2010 £43,835,625) were invested in the acquisition of the registrations of new players during the two transfer windows. These costs, which include not only the transfer fee payable but also the associated costs of acquiring the registration, are capitalised and amortised over the term of the respective player's contract. Amortisation charged to the profit and loss account in the current year was £32,389,562 compared to £30,555,582 in the previous year. The carrying value of players' registrations at 31 May 2011 was £67,126,672 (2010 £68,498,624)

The profit on disposal of players' registration, calculated by deducting the carrying value of the player and any sale costs from the sales proceeds, was £18,832,354 for the current year (2010 £18,284,719). The profit from conditions to be fulfilled at a later date is taken when the condition is met

The loss for the financial year amounting to £6,410,297 (2010 £3,596,750) has been deducted from reserves. Net liabilities at the year-end were £14,330,779 (2010 £7,920,482). The company holds letters of financial support by its immediate controlling party, Reform Acquisitions Limited

The directors do not recommend the payment of a final dividend which results in no dividend being paid for the year (2010 £nil)

The acquisition of players and their related payroll costs are deemed the core activity risk and, whilst assisting the manager in improving the playing squad, the directors are mindful of the pitfalls that are inherent in this area of the business. Risks are also reported on by the FA Premier League at meetings of representatives of other League clubs and Aston Villa Football Club management regularly attends meetings

# **Aston Villa FC Limited**

## **Directors' report for the year ended 31 May 2011 (continued)**

### **Key performance indicators (KPIs)**

As a wholly owned subsidiary of the Reform Acquisitions Limited (RAL) group, the directors do not consider that there are any informative KPIs for the company. A description of KPIs for the RAL group is included in the RAL directors' report.

### **Financial risk management**

The company's financial transactions are dealt with through an intercompany account with Aston Villa Football Club Limited. As a consequence, the company's financial risks have been transferred to the immediate parent company, Aston Villa Limited. The financial risk management objectives and policies of the group are fully described in the 2011 annual report of the holding company, Reform Acquisitions Limited.

### **Directors**

The directors of the company who held office during the year and up to the date of signing the financial statements were:

Mr R Russell  
Mr P Faulkner

### **Directors' indemnities**

The company has in place an appropriate level of directors' and officers' third party insurance cover in respect of legal action against its directors and officers.

### **Supplier payment policy**

The company seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment which will be agreed with suppliers at that date. The payment to all suppliers is made by another group company and the group will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders. At 31 May 2011 the number of day's purchases by the company outstanding was nil (2010: nil).

### **Charitable and political donations**

All fund raising events are dealt with by the Aston Villa Charitable Trust which is registered with the Charities Commission. There were no political contributions (2010: £nil).

# **Aston Villa FC Limited**

## **Directors' report for the year ended 31 May 2011 (continued)**

### **Employment policies**

The company's employment policies are designed to retain and motivate employees at all levels. Employees are, within the bounds of commercial confidentiality, kept informed of matters that affect the current performance and future prospects of the company and are of interest to them as employees.

The company promotes and operates an equal opportunities policy to ensure that no member of staff or job applicant receives less favourable treatment on the grounds of gender, race, ethnic origin, age or disability. Every possible step is taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job-related criteria.

When recruiting and retaining disabled employees, the company will be guided by the principles and duties set out in the Disability Discrimination Act and its associated Codes of Practice. The services of existing employees who are or who become disabled are retained wherever practicable and the company is committed to applying the provisions of the Disability Discriminations Act 1995.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 company will continue in business.

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

# **Aston Villa FC Limited**

## **Directors' report for the year ended 31 May 2011 (continued)**

### **Disclosure of information to the auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report was approved by the Board of Directors on 13 February 2012, and signed on their behalf by



Mr R Russell  
**Company Secretary**





## **Independent auditors' report to the members of Aston Villa FC Limited**

We have audited the financial statements of Aston Villa FC Limited for the year ended 31 May 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Aston Villa FC Limited (continued)**

### **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Matthew Mullins (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
17 February 2012

## Aston Villa FC Limited

Registered number 2502822

### Profit and loss account for the year ended 31 May 2011

	Note	2011 £	2010 £
<b>Turnover</b>	2	<b>95,555,700</b>	80,062,087
Administrative expenses		(88,483,123)	(71,434,181)
<b>Operating profit before amortisation and player trading</b>		<b>7,072,577</b>	8,627,906
Amortisation of players' registrations		(32,389,562)	(30,555,582)
<b>Operating loss</b>		<b>(25,316,985)</b>	(21,927,676)
Profit on disposal of players' registrations		18,832,354	18,284,719
<b>Loss on ordinary activities before interest and taxation</b>		<b>(6,484,631)</b>	(3,642,957)
Interest receivable and similar income	5	74,334	160,572
Interest payable and similar charges	6	-	(114,365)
<b>Loss on ordinary activities before taxation</b>	3	<b>(6,410,297)</b>	(3,596,750)
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial year</b>	15	<b>(6,410,297)</b>	(3,596,750)

All the above figures relate to continuing operations

The company has no recognised gains and losses other than those included in the above results, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

# Aston Villa FC Limited

Registered number 2502822

## Balance sheet as at 31 May 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Intangible assets	8	67,126,672	68,498,624
Tangible assets	9	1,290	7,799
Investments	10	1	1
		<b>67,127,963</b>	68,506,424
<b>Current assets</b>			
Debtors	11	16,632,245	9,178,378
Creditors: amounts falling due within one year	12	(89,445,010)	(82,999,022)
Net current liabilities		(72,812,765)	(73,820,644)
Total assets less current liabilities		(5,684,802)	(5,314,220)
Creditors: amounts falling due after more than one year	13	(8,645,977)	(2,606,262)
Net liabilities		(14,330,779)	(7,920,482)
<b>Capital and reserves</b>			
Called up share capital	14	2,000,000	2,000,000
Profit and loss account	15	(16,330,779)	(9,920,482)
Total shareholders' deficit	16	(14,330,779)	(7,920,482)

The financial statements on pages 8 to 20 were approved by the Board of Directors on 13 February 2012

Signed on behalf of the Board of Directors



Mr R Russell  
Director

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2011**

### **1 Accounting policies**

#### **Basis of accounting**

These financial statements have been prepared on the going concern basis, on the basis of a letter of support received from Reform Acquisitions Limited, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies adopted, which have been applied consistently in dealing with items which are considered material, except as indicated are set out below.

Although the company has net liabilities and a total shareholders' deficit, the directors do not consider there to be a going concern risk as any commitments can be met using the resources of the group as a whole.

#### **Intangible fixed assets – players' registrations**

The costs associated with the acquisition of players' registrations is capitalised as an intangible fixed asset at the date of acquisition and are amortised over the period of the respective players' contract, including extensions thereto.

Liability in respect of contingent appearance fees is recognised where the directors consider the likelihood of a player meeting future appearance criteria, laid down in the transfer agreement of that player, to be probable.

Internally generated intangible fixed assets are held at nil value. Any external costs incurred in extensions to a player's original contract are capitalised and amortised over the period of the player's extended contract.

The profit or loss arising out of the disposal of players' registrations represent the difference between the consideration receivable, net of any transaction costs and signing on fees in respect of future periods, and the unamortised cost of the intangible asset.

In accordance with FRS 26 "Financial Instruments: recognition and measurement", the Company's players' registrations acquired on deferred terms are recorded at the discounted present value at the date of acquisition. The associated creditor is then increased to the settlement value over the period of deferral, with this value being charged as notional interest through the profit and loss account.

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight-line basis to write down the assets to their estimated residual value over the anticipated useful lives, which are re-assessed on a periodic basis, at the following annual rates:

Plant and equipment     10-33%

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2011 (continued)**

### **1 Accounting policies (continued)**

#### **Impairment of tangible and intangible fixed assets**

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and the value in use. Any impairment loss is recognised immediately as an expense.

#### **Taxation**

The taxation expense represents the sum of tax currently payable or recoverable and deferred taxation, and takes into account adjustments for prior periods.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is measured on an undiscounted basis.

#### **Turnover**

Turnover represents all income arising from the ordinary activities of the company excluding transfer fees and is stated net of discounts and value added tax. All turnover has been generated from activities in the United Kingdom.

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2011 (continued)**

### **1 Accounting policies (continued)**

#### **Players' signing on fees and loyalty payments**

Signing on fees payable to players are recognised in operating expenses over the period of the player's contract or as incurred. Where a player's registration is transferred, any signing on fee payable in respect of future periods is charged against profit or loss on disposal.

Loyalty payments, which are payable only if the player is still in employment with the group, are accrued, as part of operating expenses, over the period to which they relate.

#### **Pensions**

Payments to various defined contribution retirement schemes are charged as an expense as they fall due.

Payments made to the Football League Limited Pension and Life Assurance Scheme (FLLPLAS) are dealt with as payments to defined contribution schemes where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities held at the balance sheet date are revalued using the rate at that date.

#### **Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at constant rates on the carrying amounts.

#### **Cash flow statement**

Aston Villa FC Limited is exempt from preparing a cash flow statement under Financial Reporting Standard 1 (revised 1996) 'Cash flow statements' on the basis that its parent company, Reform Acquisitions Limited, prepares a consolidated cash flow statement.

### **2 Turnover**

All turnover has been generated from activities in the United Kingdom.

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2011 (continued)

### 3 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation has been arrived at after charging/(crediting)

	2011	2010
	£	£
Depreciation of owned tangible fixed assets	6,509	9,321
Amortisation of players' registrations	32,389,562	30,555,582
Staff costs (note 4)	72,372,301	69,068,650
Termination costs – exceptional item	11,440,968	-
Profit on disposal of players' registrations	(18,832,354)	(18,284,719)
Auditors' remuneration for audit services	6,000	6,000

Termination costs were incurred in relation to manager changes

### 4 Staff costs

	2011	2010
	Number	Number
Average monthly number of employees by activity		
Directors, players, football management and coaches	151	149

	2011	2010
	£	£
<b>Remuneration</b>		
Wages and salaries	64,076,993	61,004,421
Social security costs	8,253,401	8,003,728
Other pension costs (note 18)	41,907	60,501
	72,372,301	69,068,650

The directors were employed and remunerated by Aston Villa Football Club Limited in the year ended 31 May 2010 and the year ended 31 May 2011. They did not receive any remuneration specifically for their services as directors of the company.

In addition to the above are exceptional staff costs of £11.4m (2010: £nil).



# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2011 (continued)

### 5 Interest receivable and similar income

	2011	2010
	£	£
Interest receivable	74,334	160,572

### 6 Interest payable and similar charges

	2011	2010
	£	£
Amortisation of discount on long term liabilities	-	114,365

### 7 Tax on loss on ordinary activities

		2011	2010
		£	£
<b>Current tax:</b>			
UK corporation tax	Current year	-	-
	Prior year	-	-
		-	-

Corporation tax is calculated at 27.66% (2010: 28%) of the estimated assessable profit for the year

## Aston Villa FC Limited

### Notes to the financial statements for the year ended 31 May 2011 (continued)

#### 7 Tax on loss on ordinary activities (continued)

The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 27.66% (2010 28%). The differences are explained below

	2011	2010
	£	£
Loss on ordinary activities before tax	(6,410,297)	(3,596,750)
Tax at the UK corporation tax rate of 28% (2010 28%)	(1,773,088)	(1,007,090)
Depreciation in excess of capital allowances	1,800	2,610
Unrelieved tax losses carried forward	1,256,569	800,400
Expenses not deductible for tax purposes	514,719	204,080
Tax charge for the year	-	-

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

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 was substantively enacted on 5 July 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2011 (continued)

### 8 Intangible fixed assets

	Players' registrations £
<b>Cost</b>	
At 1 June 2010	137,542,371
Additions	41,098,818
Disposals	(39,195,705)
<b>At 31 May 2011</b>	<b>139,445,484</b>
<b>Accumulated amortisation</b>	
At 1 June 2010	69,043,747
Charge for the year	32,389,562
Disposals	(29,114,497)
<b>At 31 May 2011</b>	<b>72,318,812</b>
<b>Net book value</b>	
<b>At 31 May 2011</b>	<b>67,126,672</b>
At 31 May 2010	68,498,624

## Aston Villa FC Limited

### Notes to the financial statements for the year ended 31 May 2011 (continued)

#### 9 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 June 2010	82,788
<b>At 31 May 2011</b>	<b>82,788</b>
<b>Accumulated depreciation</b>	
At 1 June 2010	74,989
Charge for the year	6,509
<b>At 31 May 2011</b>	<b>81,498</b>
<b>Net book value</b>	
<b>At 31 May 2011</b>	<b>1,290</b>
At 31 May 2010	7,799

#### 10 Fixed asset investments

The company holds one £1 (2010 £1) share in the FA Premier League Limited which represents 5% of the total holding

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2011 (continued)

### 11 Debtors

	2011 £	2010 £
Trade debtors	12,040,614	4,709,365
Amounts due from group undertakings	4,469,013	4,469,013
Other debtors	122,618	-
	16,632,245	9,178,378

Trade debtors due in over one year of £1,000,000 (2010 £1,200,000) have been included in the above. Amounts due from group undertakings are unsecured, bear no interest and are repayable on demand.

### 12 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	16,044,070	21,337,324
Amounts owed to group undertakings	52,795,548	52,673,644
Taxation and social security costs	5,662,864	4,372,730
Accruals and deferred income	14,942,528	4,615,324
	89,445,010	82,999,022

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

### 13 Creditors: amounts falling due after more than one year

	2011 £	2010 £
<b>Trade creditors</b>		
Falling due in more than one year but less than two years	8,645,977	2,606,262

#### Provisions for liabilities

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances and tax trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £4,148,250 (2010 £3,193,509). The asset would be recovered if sufficient taxable trading profits arise in the future.

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2011 (continued)

### 14 Called up share capital

	2011 £	2010 £
Authorised – 2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
Allotted and fully paid – 2,000,000 ordinary shares of £1 each	2,000,000	2,000,000

### 15 Profit and loss account

	£
At 1 June 2010	(9,920,482)
Loss for the financial year	(6,410,297)
<b>At 31 May 2011</b>	<b>(16,330,779)</b>

### 16 Reconciliation of movement in shareholders' deficit

	2011 £	2010 £
Loss for the financial year	(6,410,297)	(3,596,750)
Opening shareholders' deficit	(7,920,482)	(4,323,732)
Closing shareholders' deficit	(14,330,779)	(7,920,482)

### 17 Contingent liabilities

The terms of certain contracts with other football clubs in respect of the acquisition of players' registrations include the payment of additional amounts upon the fulfilment of specific conditions in the future. The maximum un-provided liability which may arise in respect of these players at 31 May 2011 is £4,658,597 (2010 £2,866,727)

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2011 (continued)**

### **18 Retirement benefit schemes**

Certain members of the Group's staff are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Group is one of a number of participating employers in FLLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed in the consolidated profit and loss account as they become payable. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Under the provisions of Financial Reporting Standard 17 'Retirement benefits' the scheme would be treated as a defined benefit multi-employer scheme. The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and accordingly no disclosures are made under the provisions of Financial Reporting Standard 17 'Retirement benefits'. This deficit has been appropriately accounted for over the remaining service lives of the employees concerned in accordance with Financial Reporting Standard 17 'Retirement benefits'. Where employees have left the Group, the amount was charged to the consolidated profit and loss account in the year in which the deficit was notified.

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £41,907 (2010 £60,501).

### **19 Events after the balance sheet date**

Since the balance sheet date various players have been bought and sold. The net income of these transfers, taking into account the applicable levies, is £35.4million (2010 £16.3million). The net cost of these transfers, taking into account the applicable levies, is £17.8million (2010 £nil). These transfers will be accounted for in the year ending 31 May 2012.

### **20 Ultimate parent undertaking and controlling party**

At 31 May 2011 the directors consider Reform Acquisitions Limited, registered in England and Wales, to be the company's controlling party and the only parent undertaking for which group financial statements are drawn up. Copies of those group financial statements have been delivered to, and are available from, The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors the ultimate holding company is Reform Acquisitions LLC, a company registered in the United States of America, and the ultimate controlling party is Mr R Lerner.

### **21 Related party transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Reform Acquisitions Limited, whose accounts are publicly available.