Aston Villa FC Limited

Annual report and financial statements

for the year ended 31 May 2017

Registered number: 02502822

Aston Villa FC Limited

Annual report and financial statements for the year ended 31 May 2017

Aston Villa FC Limited

Directors and advisors
for the year ended 31 May 2017

Directors

Mr J Xia
Mr K Wyness
Mrs Y Gu

Registered office

Villa Park
Trinity Road
Birmingham
B6 6HE

Independent auditors

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

Strategic report
for the year ending 31 May 2017

The directors present their strategic report and the audited financial statements for the year ended 31 May 2017.

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.

Results and dividends

The loss for the financial year amounted to £6,938,403 (loss for the financial year ended 31 May 2016: £7,267,465)

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2016: £nil). They do not recommend a final dividend (for the year ended 31 May 2016: £nil).

Review of business

The season culminated in a final league place of 13th. The Club will compete in the English Football League Championship for the 2017/18 season.

There was a change of ownership of the Club on 14th June 2016. From this date the ultimate holding company is Zhejiang Ruikang (Recon) Investment Co. Ltd and the ultimate controlling party is Mr J Xia.

Turnover for the year amounted to £47,689,070 (2016: £88,869,122), and is, in the main, determined by reference to a trading agreement with another group company. Total administrative expenses amounted to £57,521,241 (2016: £80,041,897).

Amounts totalling £87,873,730 (2016: £56,542,712) 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 £23,737,330 compared to £16,016,927 in the previous year. No impairment charge was applied to the value of player's registrations during the year (2016 £34,842,000). The carrying value of players' registrations at 31 May 2017 was £79,399,859 (2016: £29,648,080).

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 £26,631,098 for the current year (2016: profit of £34,764,237). 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 £6,938,403 (2016: £7,267,465) has been deducted from reserves. Net liabilities at the year-end were £59,477,394 (2016: £52,538,991).

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate controlling party, Mr J Xia. The directors have received confirmation that Mr J Xia intends to support the company for at least one year after these financial statements are signed.

Aston Villa FC Limited

Strategic report
for the year ended 31 May 2017

Key Performance Indicators ('KPIs')

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

Principal risks and uncertainties

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. Aston Villa Football Club management regularly review and monitor the Company's risks.

Mr K. Wyness

Director

Aston Villa FC Limited

Directors' report
for the year ending 31 May 2017

The directors present their report and the audited financial statements for the year ended 31 May 2017.

Future developments

The company is a wholly owned subsidiary of the Recon Sports Limited (RSL) group. A description of future developments for the RSL group is included in the RSL directors' report.

Dividends

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2016: £nil). They do not recommend a final dividend (for the year ended 31 May 2016: £nil).

Charitable contributions

All fund raising events are dealt with by the Aston Villa Foundation which is registered with the Charity Commission. There were no political contributions (2016: £nil).

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, Recon Football limited (formerly Aston Villa Limited). The financial risk management objectives and policies of the group are fully described in the 2017 annual report of the holding company, Recon Sports Limited.

Going concern

The Directors have formed a judgement at the time of approving the financial statements that the company has adequate resources available to continue operating and to discharge all financial obligations as they fall due for the foreseeable future from the date of approval of the financial statements.

The Company is reliant on support from its UK parent, Recon Group UK Limited, which has received confirmation that the ultimate holding Company, Zhejiang Ruikang (Recon) Investment Co. Ltd, intends to provide support to the Group and Company for at least one year from the date these financial statements are signed.

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 Lerner (resigned 14 June 2016)
Mr S Hollis (resigned 14 June 2016)
General C Krulak (resigned 14 June 2016)
Mr J Xia (appointed 14 June 2016)
Mr K Wyness (appointed 22 June 2016)
Mrs Y Gu (appointed 10 August 2016)

Directors' report
for the year ending 31 May 2017 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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 the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they 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.

Directors' and officers' insurance

The Company maintains cover under a qualifying third party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board on 21 / 12 / 17 and signed on its behalf.

Mr K. Wyness
Director

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

Report on the financial statements

Our opinion

In our opinion, Aston Villa FC Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 May 2017 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 May 2017;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
21 December 2017

Aston Villa FC Limited

Registered number: 02502822

Profit and loss account
for the year ended 31 May 2017

	Note	2017 £	2016 £
Turnover	2	**47,689,070**	88,869,122
Administrative expenses		**(57,521,241)**	(80,041,897)
Operating (loss)/profit before amortisation and player trading		**(9,832,171)**	8,827,225
Amortisation and impairment of players' registrations (including exceptional impairment costs of £nil (2016: £34,842,000))	3	**(23,737,330)**	(50,858,927)
Operating loss		**(33,569,501)**	(42,031,702)
Profit on disposal of players' registrations	3	**26,631,098**	34,764,237
Loss on ordinary activities before taxation	3	**(6,938,403)**	(7,267,465)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		**(6,938,403)**	(7,267,465)

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 other comprehensive income has been presented.

Aston Villa FC Limited

Registered number: 02502822

Balance sheet
as at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	6	**79,399,859**	29,648,080
Tangible assets	7	**-**	-
Investments	8	**1**	1
		79,399,860	29,648,081
Current assets			
Debtors	9	**22,469,081**	25,037,249
Creditors: amounts falling due within one year	10	**(141,140,000)**	(96,855,997)
Net current liabilities		**(118,670,919)**	(71,818,748)
Total assets less current liabilities		**(39,271,059)**	(42,170,667)
Creditors: amounts falling due after more than one year	11	**(20,206,335)**	(10,368,324)
Net liabilities		**(59,477,394)**	(52,538,991)
Capital and reserves			
Called up share capital	13	**2,000,000**	2,000,000
Profit and loss account		**(61,477,394)**	(54,538,991)
Total shareholders' deficit		**(59,477,394)**	(52,538,991)

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 8 to 21 were approved by the Board of Directors on 21/12/17

Signed on behalf of the Board of Directors

Mr K. Wyness
Director

Aston Villa FC Limited

Registered number: 02502822

Statement of changes in equity
for the year ended 31 May 2017

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
Balance at 1 June 2015	**2,000,000**	**(47,271,526)**	**(45,271,526)**
Loss for the financial year	-	(7,267,465)	(7,267,465)
Balance at 31 May 2016	**2,000,000**	**(54,538,991)**	**(52,538,991)**
Loss for the financial year	-	(6,938,403)	(6,938,403)
Balance at 31 May 2017	**2,000,000**	**(61,477,394)**	**(59,477,394)**

The accounting policies and the notes on pages 11 to 21 form part of these financial statements.

Notes to the financial statements for the year ended 31 May 2017

1 Accounting policies

General information

Aston Villa FC Limited ('the company') principal activity continues to be football and football management.

The company is incorporated and domiciled in the UK. The address of its registered office is Villa Park, Trinity Road, Birmingham B6 6HE.

Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are also disclosed in this note.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

FRS 102 allows a qualifying entity certain disclosure exemptions. Exemptions under FRS 102 paragraph 1.12 have been applied: in relation to presentation of a cash flow statement, related party transactions, certain financial instrument disclosures and the non-disclosure of key management personnel compensation.

Consolidated financial statements

The company is a wholly owned subsidiary of Recon Football Limited, and its ultimate UK parent is Recon Group UK Limited. It is included in the consolidated financial statements of Recon Group UK Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

Notes to the financial statements for the year ended 31 May 2017 (continued)

1 Accounting policies (continued)

Functional Currency

The company's functional and presentation currency is the pound sterling.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Intangible fixed assets – players' registrations

The costs associated with the acquisition of players' registrations are capitalised as an intangible fixed asset at the date of acquisition and are amortised over the period of the respective player's 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 the unamortised cost of the intangible asset.

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 reducing balance 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%

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 as included in cash generating units 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.

1 Accounting policies (continued)

Taxation

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

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

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. Turnover includes fees receivable for the loans of players' registrations.

Players' signing on fees and loyalty payments

Signing on fees payable to players and loyalty payments, which are payable only if the player is still in employment with the Group are recognised in operating expenses as incurred.

Pensions

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

Certain of the Company's employees and ex-employees are members of the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Company is one of a number of participating employers in FLLPLAS it is not possible to identify the Company's share of the individual assets and liabilities within the scheme.

1 Accounting policies (continued)

Pensions (continued)

However, the actuarial surplus or deficit is estimated and a provision is made for any unfunded obligation with any payments made being deducted from the outstanding balance. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Further details are set out in note 15.

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.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and regards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and amounts due to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

Notes to the financial statements for the year ended 31 May 2017 (continued)

2 Turnover

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

3 Loss before taxation

The loss before taxation has been arrived at after charging/(crediting):

	2017	2016
	£	£
Amortisation of players' registrations	**23,737,330**	16,016,927
Staff costs excluding exceptional item (note 4)	**52,768,993**	76,853,003
Profit on disposal of players' registrations	**(26,631,098)**	(34,764,237)
Auditors' remuneration for audit services	**9,000**	9,000
Exceptional items:		
Impairment of players' registrations	**-**	34,842,000

The exceptional items relate to the impairment of players' registrations and was recognised to write down the assets to their recoverable amount.

Notes to the financial statements for the year ended 31 May 2017 (continued)

4 Staff costs

	2017	2016
	Number	Number
Average monthly number of employees by activity		
Directors, players, football management and coaches	**175**	195

	2017	2016
Remuneration	**£**	£
Wages and salaries	**45,899,141**	66,648,258
Social security costs	**6,648,091**	10,027,370
Other pension costs (note 15)	**221,761**	177,375
	52,768,993	76,853,003

The directors were employed and remunerated by Aston Villa Football Club Limited in the year ended 31 May 2017 and the year ended 31 May 2016. They did not receive any remuneration specifically for their services as directors of the company.

Key management compensation

Key management personnel were remunerated for their services to the company by Aston Villa Football Club Limited. Disclosure of these amounts is included in the financial statements of Recon Group UK Limited.

5 Tax on loss

		2017	2016
		£	£
Current tax:			
UK corporation tax:	UK Corporation tax on losses for the year	-	-
	Adjustment in respect of prior periods	-	-
		-	-
Deferred tax:			
UK:	Origination and reversal of timing differences	-	-
	Impact of change in tax rate	-	-
Tax on **loss**		-	-

Corporation tax is calculated at 19.83% (2016: 20.00%) of the estimated assessable loss for the year.

The tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax in the UK of 19.83% (2016: 20.00%). The differences are explained below:

	2017	2016
	£	£
Loss on ordinary activities before tax	**(6,938,403)**	(7,267,465)
Tax at the UK corporation tax rate of 19.83% (2016: 20.00%)	**(1,375,885)**	(1,453,493)
Effects of other reliefs / group relief	**238,277**	452,305
Movement in unprovided deferred tax	**1,137,608**	1,001,188
Tax charge for the year	-	-

During the year the main rate of corporation tax was reduced from 20% to 19.83%. This change was effective from 1 April 2017.

Notes to the financial statements for the year ended 31 May 2017 (continued)

6 Intangible fixed assets

	Players' registrations £
Cost	
At 1 June 2016	103,260,316
Additions	87,873,730
Disposals	(59,915,617)
At 31 May 2017	**131,218,429**
Accumulated amortisation	
At 1 June 2016	73,612,236
Charge for the year	23,737,330
Disposals	(45,530,996)
At 31 May 2017	**51,818,570**
Net book value	
At 31 May 2017	**79,399,859**
At 31 May 2016	29,648,080

Notes to the financial statements for the year ended 31 May 2017 (continued)

7 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 June 2016	82,788
At 31 May 2017	**82,788**
Accumulated depreciation	
At 1 June 2016	82,788
Charge for the year	-
At 31 May 2017	**82,788**
Net book value	
At 31 May 2017	**-**
At 31 May 2016	-

8 Fixed asset investments

At the balance sheet date the company held 1 share in The Football League Ltd (2016: 1 share in the FA Premier League Limited).

9 Debtors

	2017 £	2016 £
Trade debtors	**18,000,068**	20,568,236
Amounts owed by group undertakings	**4,469,013**	4,469,013
	22,469,081	25,037,249

Trade debtors due in over one year of £3,000,034 (2016: £4,769,423) have been included in the above.

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

Trade debtors and amounts owed by group undertakings are measured at amortised cost.

Trade debtors are stated after provisions for impairment of £nil (2016: nil)

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	**43,319,870**	21,412,776
Amounts owed to group undertakings	**92,021,573**	64,947,561
Taxation and social security costs	**801,867**	3,882,279
Accruals and deferred income	**4,996,690**	6,613,381
	141,140,000	96,855,997

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand. Trade creditors and amounts owed to group undertakings are measured at amortised cost. Derivative financial instruments are measured at fair value through profit or loss.

11 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Trade creditors		
Falling due in more than one year but less than two years	**20,206,335**	10,368,324

12 Deferred taxation

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 £9,355,992 (2016: £9,678,521).The asset would be recovered if sufficient taxable trading profits arise in the future.

13 Called up share capital

	2017 £	2016 £
Allotted and fully paid – 2,000,000 (2016: 2,000,000) ordinary shares of £1 each	**2,000,000**	2,000,000

14 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 2017 is £3,402,922 (2016: £3,433,477).

15 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 Company is one of a number of participating employers in the scheme, it is not possible to allocate any actuarial surplus or deficit on an annual basis. However, under Section 75 of the Pensions Act 1995, the Company, as a participating employer in the scheme, is liable to fund the deficit relating to Company's ex-employees who are members of the scheme. The Scheme Actuary finalised a full valuation as at 31 August 2014 in April 2015 and allocated £395,725 as the Club's share of the deficit as at 1 September 2014. The deficit is funded by annual contributions. The balance outstanding at the year-end date is included in other creditors. The Club has made contributions of £89,916 in the year (2016: £89,916). The assets of the scheme are held separately from those of the Company.

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £221,761 (2016: £177,375). At the end of the year, contributions of £nil (2016: £nil) were outstanding.

16 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 and sell on clauses, is £22.4m (2016: £21.0 million). The net cost of these transfers, taking into account the applicable levies, is £2.9m (2016: £60.5 million). These transfers will be accounted for in the year ending 31 May 2018.

17 Ultimate parent undertaking and controlling party

At 31 May 2017 the directors consider Recon Group UK Limited, registered in England and Wales, to be the company's controlling party. Copies of Recon Group UK Limited 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 parent undertaking at the balance sheet date was Zhejiang Ruikang Investment Co. Ltd, a Company registered in China, and the ultimate controlling party was Mr J Xia.

18 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.