

Aston Villa FC Limited

Annual report and financial statements  
for the year ended 31 May 2014

Registered number: 02502822

MONDAY



\*A41VCZXU\*

A15

23/02/2015

#175

COMPANIES HOUSE

# **Aston Villa FC Limited**

## **Directors' report and financial statements for the year ended 31 May 2014**

	<b>Page</b>
Directors and advisors for the year ended 31 May 2014.....	1
Strategic report for the year ending 31 May 2014 .....	2
Directors' report for the year ending 31 May 2014 .....	3
Independent auditors' report to the members of Aston Villa FC Limited.....	5
Profit and loss account for the year ended 31 May 2014 .....	7
Balance sheet as at 31 May 2014.....	8
Notes to the financial statements for the year ended 31 May 2014.....	9

# **Aston Villa FC Limited**

## **Directors and advisors for the year ended 31 May 2014**

### **Directors**

Mr R Russell

### **Company Secretary**

Mr R Russell

### **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

# Aston Villa FC Limited

## Strategic report for the year ending 31 May 2014

The directors present their strategic report and the audited financial statements for the year ended 31 May 2014.

### 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 year after taxation amounted to £3,800,556 (for the year ended 31 May 2013: £15,199,106)

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2013: £nil). They do not recommend a final dividend (for the year ended 31 May 2013: £nil).

### Review of business

The season culminated in a final league place of 15th compared to the previous season where a 15th place finish was also achieved.

Turnover for the year amounted to £74,982,356 (2013: £80,868,586), and is, in the main, determined by reference to a trading agreement with another group company. Total administrative expenses amounted to £62,203,632 (2013: £73,351,462), which included £nil of exceptional items (2013: £8,339,319).

Amounts totalling £20,143,743 (2013: £24,120,637) 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 £18,339,642 compared to £22,605,737 in the previous year. The carrying value of players' registrations at 31 May 2014 was £37,818,130 (2013: £36,021,167).

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 £1,738,479 for the current year (2013: loss of £250,455). 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 £3,800,556 (2013: £15,199,106) has been deducted from reserves. Net liabilities at the year-end were £39,248,014 (2013: £35,447,458). The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Reform Acquisitions LLC. The directors have received confirmation that Reform Acquisitions LLC intends to support the company for at least one year after these financial statements are signed.

### 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.

### 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. Risks are also reported on by the FA Premier League at meetings including representatives of other League clubs, and Aston Villa Football Club management regularly review and monitor the Company's risks.



R. Russell

# **Aston Villa FC Limited**

## **Directors' report for the year ending 31 May 2014**

The directors present their report and the audited financial statements for the year ended 31 May 2014.

### **Future developments**

The company is a wholly owned subsidiary of the Reform Acquisitions Ltd (RAL) group. A description of future developments for the RAL group is included in the RAL directors' report.

### **Dividends**

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2013: £nil). They do not recommend a final dividend (for the year ended 31 May 2013: £nil).

### **Charitable contributions**

All fund raising events are dealt with by the Aston Villa Charitable Trust which is registered with the Charity Commission. There were no political contributions (2013: £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, Aston Villa Limited. The financial risk management objectives and policies of the group are fully described in the 2014 annual report of the holding company, Reform Acquisitions 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.

### **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 (resigned 7 July 2014)

### **Directors' responsibilities statement**

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

# **Aston Villa FC Limited**

## **Directors' report for the year ending 31 May 2014 (continued)**

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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

### **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.

### **Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **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 17 July 2014 and signed on its behalf.



**R. Russell**  
**Director**

# **Aston Villa FC Limited**

Registered number: 02502822

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

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by Aston Villa FC Limited, comprise:

- the balance sheet as at 31 May 2014;
- the profit and loss account for the year then ended;
- 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

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

In our opinion 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.

# **Aston Villa FC Limited**

Registered number: 02502822.

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

### **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 were 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.

#### **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 pages 3 and 4, 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 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.



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

**17** July 2014



# Aston Villa FC Limited

Registered number: 02502822

## Profit and loss account for the year ended 31 May 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>74,982,356</b>	80,868,586
Administrative expenses before exceptional items		(62,203,632)	(65,012,143)
<b>Administrative profit before exceptional items</b>		<b>12,778,724</b>	15,856,443
Administrative expenses – exceptional items	3	-	(8,339,319)
Total administrative expenses		(62,203,632)	(73,351,462)
<b>Operating profit before amortisation and player trading</b>		<b>12,778,724</b>	7,517,124
Amortisation of players' registrations		(18,339,642)	(22,605,737)
<b>Operating loss</b>		<b>(5,560,918)</b>	(15,088,613)
Profit/(loss) on disposal of players' registrations		1,738,479	(250,455)
<b>Loss on ordinary activities before interest and taxation</b>		<b>(3,822,439)</b>	(15,339,068)
Interest receivable and similar income	5	21,883	139,962
<b>Loss on ordinary activities before taxation</b>	3	<b>(3,800,556)</b>	(15,199,106)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the financial year</b>	14	<b>(3,800,556)</b>	(15,199,106)

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: 02502822

## Balance sheet as at 31 May 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	7	37,818,130	36,021,167
Tangible assets	8	-	104
Investments	9	1	1
		<b>37,818,131</b>	<b>36,021,272</b>
<b>Current assets</b>			
Debtors	10	4,799,013	9,436,762
<b>Creditors: amounts falling due within one year</b>	11	<b>(79,601,987)</b>	<b>(79,150,809)</b>
<b>Net current liabilities</b>		<b>(74,802,974)</b>	<b>(69,714,047)</b>
<b>Total assets less current liabilities</b>		<b>(36,984,843)</b>	<b>(33,692,775)</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<b>(2,263,171)</b>	<b>(1,754,683)</b>
<b>Net liabilities</b>		<b>(39,248,014)</b>	<b>(35,447,458)</b>
<b>Capital and reserves</b>			
Called up share capital	13	2,000,000	2,000,000
Profit and loss account	14	(41,248,014)	(37,447,458)
<b>Total shareholders' deficit</b>	15	<b>(39,248,014)</b>	<b>(35,447,458)</b>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 17 July 2014.

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 2014**

### **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 LLC, the ultimate parent company, 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 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 signing on fees in respect of future periods, 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%

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2014 (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 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.

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

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2014 (continued)**

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

#### **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. 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.

#### **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.

#### **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 2014 (continued)

### 3 Loss on ordinary activities before taxation

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

	2014	2013
	£	£
Depreciation of owned tangible fixed assets	104	157
Amortisation of players' registrations	18,339,642	22,605,737
Staff costs excluding exceptional item (note 4)	58,701,219	61,581,293
Exceptional item – net termination and onerous contract costs	-	2,211,809
Exceptional item – impairment of players' registrations	-	6,127,510
(Profit)/loss on disposal of players' registrations	(1,738,479)	250,455
Auditors' remuneration for audit services	9,000	9,000

The exceptional item relates to termination and onerous contract costs.

### 4 Staff costs

	2014	2013
	Number	Number
Average monthly number of employees by activity		
Directors, players, football management and coaches	173	168

	2014	2013
	£	£
<b>Remuneration</b>		
Wages and salaries	50,931,326	53,637,579
Social security costs	7,648,455	7,887,453
Other pension costs (note 17)	121,438	56,261
	58,701,219	61,581,293

The directors were employed and remunerated by Aston Villa Football Club Limited in the year ended 31 May 2013 and the year ended 31 May 2014. 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 £nil (2013: £2.2m).

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2014 (continued)

### 5 Interest receivable and similar income

	2014	2013
	£	£
Interest receivable	21,883	139,962

### 6 Tax on loss on ordinary activities

	2014	2013
	£	£
<b>Current tax:</b>		
UK corporation tax: Current year	-	-
Prior year	-	-
	-	-

Corporation tax is calculated at 22.67% (2013: 23.83%) of the estimated assessable profit for the year.

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%). The differences are explained below:

	2014	2013
	£	£
Loss on ordinary activities before tax	(3,800,556)	(15,199,106)
Tax at the UK corporation tax rate of 22.67% (2013: 23.83%)	(861,586)	(3,621,947)
Depreciation in excess of capital allowances	24	37
Group relief surrendered for nil payment	176,996	
Unrelieved tax losses carried forward	766,717	3,371,218
Other timing differences	(82,151)	250,692
Tax charge for the year	-	-

The March 2012 Budget included a reduction in the main rate of corporation tax for UK companies from 26% to 24% from 1 April 2012. Legislation to further reduce the main rate of corporation tax to 23% from 1 April 2013 was included in the Finance Act 2012 and substantively enacted in July 2012.

The Finance Act 2013 was substantively enacted on 2 July 2013 and includes legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015.

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2014 (continued)

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

UK deferred tax has therefore been provided at 23% (2012: 24%).

In addition to the changes in rates of corporation tax disclosed above, further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

### 7 Intangible fixed assets

	Players' registrations
	£
<b>Cost</b>	
At 1 June 2013	81,130,537
Additions	20,143,743
Disposals	(8,681,364)
<b>At 31 May 2014</b>	<b>92,592,916</b>
<b>Accumulated amortisation</b>	
At 1 June 2013	45,109,370
Charge for the year	18,339,642
Disposals	(8,674,226)
<b>At 31 May 2014</b>	<b>54,774,786</b>
<b>Net book value</b>	
<b>At 31 May 2014</b>	<b>37,818,130</b>
At 31 May 2013	36,021,167



# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2014 (continued)

### 8 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 June 2013	82,788
<b>At 31 May 2014</b>	<b>82,788</b>
<b>Accumulated depreciation</b>	
At 1 June 2013	82,684
Charge for the year	104
<b>At 31 May 2014</b>	<b>82,788</b>
<b>Net book value</b>	
<b>At 31 May 2014</b>	<b>-</b>
At 31 May 2013	104

### 9 Fixed asset investments

The company holds one £1 (2013: £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 2014 (continued)

### 10 Debtors

	2014 £	2013 £
Trade debtors	330,000	4,967,749
Amounts owed by group undertakings	4,469,013	4,469,013
	4,799,013	9,436,762

Trade debtors due in over one year of £nil (2013: £nil) have been included in the above. Amounts owed by group undertakings are unsecured, bear no interest and are repayable on demand.

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

	2014 £	2013 £
Trade creditors	8,589,792	9,323,024
Amounts owed to group undertakings	63,252,471	56,709,854
Taxation and social security costs	3,318,294	2,961,034
Accruals and deferred income	4,441,430	10,156,897
	79,601,987	79,150,809

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

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

	2014 £	2013 £
<b>Trade creditors</b>		
Falling due in more than one year but less than two years	2,263,171	1,754,683

#### 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 £8,015,501 (2013: £8,834,136). The asset would be recovered if sufficient taxable trading profits arise in the future.

As the changes noted in note 6 to the rates disclosed had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the unprovided deferred tax balance at the balance sheet date, would not materially affect the unprovided deferred tax asset.

# Aston Villa FC Limited

## Notes to the financial statements for the year ended 31 May 2014 (continued)

### 13 Called up share capital

	2014 £	2013 £
Allotted and fully paid – 2,000,000 (2013: 2,000,000) ordinary shares of £1 each	2,000,000	2,000,000

### 14 Profit and loss account

	£
At 1 June 2013	(37,447,458)
Loss for the financial year	(3,800,556)
<b>At 31 May 2014</b>	<b>(41,248,014)</b>

### 15 Reconciliation of movement in shareholders' deficit

	2014 £	2013 £
Loss for the financial year	(3,800,556)	(15,199,106)
Opening shareholders' deficit	(35,447,458)	(20,248,352)
Closing shareholders' deficit	(39,248,014)	(35,447,458)

### 16 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 2014 is £4,153,279 (2013: £8,400,812).

# **Aston Villa FC Limited**

## **Notes to the financial statements for the year ended 31 May 2014 (continued)**

### **17 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 possible. 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 paid.

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £121,438 (2013: £56,261). At the end of the year, contributions of £nil (2013: £nil) were outstanding.

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

Since the balance sheet date various players have been bought and sold. The net income received on transfers out, taking into account the applicable levies, is £0.2 million (2013: £0.6 million). The net cost of transfers in, taking into account the applicable levies, is £0.1 million (2013: £18.9 million). These transfers will be accounted for in the year ending 31 May 2015.

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

At 31 May 2014 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 consolidated. 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.

### **20 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 financial statements are publicly available.