

Registered number: 02502822

ASTON VILLA FC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020



ASTON VILLA FC LIMITED

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ASTON VILLA FC LIMITED

COMPANY INFORMATION

Directors	W R Edens C M C Purslow N Sawiris
Registered number	02502822
Registered office	Villa Park Trinity Road Birmingham B6 6HE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Birmingham B3 3AX

ASTON VILLA FC LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present the Strategic Report of Aston Villa FC Limited (the "Company") for the year ended 31 May 2020.

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.

Review of business

The football season resulted in a final league place of 17th which meant the club retained its Premier League status for the 2020/21 season.

Turnover for the year amounted to £168,474,290 (2019: £103,122,327), and is, in the main, determined by reference to a trading agreement with another group company. Total administrative expenses amounted to £105,676,503 (2019: £96,095,580).

Amounts totalling £155,895,550 (2019: £31,152,709) 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 £70,599,188 compared to £25,512,518 in the previous year. No impairment charge was applied to the value of player's registrations during the year (2019: £Nil). The carrying value of players' registrations at 31 May 2020 was £134,228,743 (2019: £52,972,896).

The loss on disposal of players' registration, calculated by deducting the carrying value of the player and any sale costs from the sales proceeds is £393,044 for the current year (2019: profit of £10,598,203). 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 £7,978,287 (2019: £8,312,917) has been deducted from reserves. Net liabilities at the year-end were £82,550,346 (2019: £74,572,059).

Financial key performance indicators

As a wholly owned subsidiary of the NSW Sports Limited group, the directors do not consider that there are any informative KPIs for the Company. A description of KPIs for the NSW Sports Limited group is included in the NSW Sports Limited 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.

The principal risks and uncertainties of the NSW Sports Limited group are set out in the NSW Sports Limited's Directors' Report.

ASTON VILLA FC LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors acknowledge their responsibility to act in a manner that protects the interests of all stakeholders.

The Board of Directors have acted in a manner they consider most likely to promote the success of the Company for the benefit of its members and stakeholders in the decisions taken during the year.


The key relationships of the business are those with its supporters, staff, local community, commercial sponsors and governing authorities and the Company engages proactively with these stakeholders to ensure good relationships are maintained.

The relationships between the Company and other members of the Group is primarily guided by a Shareholder agreement. Further details of stakeholder engagement are set out in the Strategic Report of NSW E UK Limited group accounts.

Streamlined Energy and Carbon Report (SECR)

The Group Streamlined Energy and Carbon Report (SECR) are set out in the Strategic Report of NSW E UK Limited group accounts.

This report was approved by the board and signed on its behalf by:



C M C Purslow
Director

Date: 21 FEBRUARY 2021

ASTON VILLA FC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present their annual report and the audited financial statements of Aston Villa FC Limited (the "Company") for the year ended 31 May 2020.

Results and dividends

The loss for the financial year amounted to £7,978,287 (2019: £8,312,917).

The directors have not declared or paid an interim dividend during the year (2019: £Nil). They do not recommend a final dividend (2019: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

W R Edens
C M C Purslow
N Sawiris
J T Xia (resigned 2 August 2019)

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.

Future developments

The Company is a wholly owned subsidiary of the NSW Sports Limited group. A description of future developments for the NSW Sports Limited group is included in the NSW Sports Limited Directors' Report.

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 a period of at least 12 months from the date of approval of the financial statements.

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 NSW SCS. The directors have received confirmation that NSW SCS intends to support the Group and the Company for at least 12 months from the approval of these financial statements.

Further assessment of the Going concern assessment of the Group is detailed within the financial statements of NSW UK Limited.

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 (2019: £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 (formerly Recon Football Limited). The financial risk management objectives and policies of the Group are fully described in the 2019 annual report of the holding company, NSW Sports Limited.

ASTON VILLA FC LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

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 £7.4m (2019: £Nil). The net cost of these transfers, taking into account the applicable levies, is £109.4m (2019: £131.9m). These transfers will be accounted for in the year ending 31 May 2020.

The COVID-19 pandemic has created a worldwide public health crisis and the financial and economic outlook for every business is uncertain. Football clubs are no different and the global outbreak continues to present uncertainties and challenges during the 2020/21 football season. The Club continues to monitor the situation closely and continues to model financial scenarios for how the current season may develop.

The 2019/20 Premier League season was suspended on 13th March 2020, resumed on 17th June 2020 and eventually concluded on 26th July 2020.

Since the resumption professional football in England has continued to take place behind closed doors. At this stage, the timing of return of fans to stadia remains unknown.

To date, the Premier League has managed to maintain central broadcasting payments at expected levels but the Club is expecting to pay rebates to broadcasters out of future expected cash distributions.

The Club's ability to generate match day income has been interrupted whilst the behind closed doors model for matches continues to operate.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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; 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 to 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.

ASTON VILLA FC LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



C M C Purslow
Director

Date: 21 FEBRUARY 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTON VILLA FC LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Aston Villa FC Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2020 and of its loss for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 May 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTON VILLA FC LIMITED (CONTINUED)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTON VILLA FC LIMITED (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
Date: 24/2/21

ASTON VILLA FC LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2020**

	Note	2020 £	2019 £
Turnover	4	168,474,290	103,122,327
Administrative expenses		(105,676,503)	(96,095,580)
Other operating income		304,654	-
Operating profit before amortisation and player trading	6	63,102,441	7,026,747
Amortisation of players' registrations		(70,599,188)	(25,512,518)
(Loss)/profit on disposal of players' registrations		(393,044)	10,598,203
Loss before taxation		(7,889,791)	(7,887,568)
Interest payable and similar expenses	10	(30,612)	(425,349)
Loss before taxation		(7,920,403)	(8,312,917)
Tax on loss	11	(57,884)	-
Loss for the financial year		(7,978,287)	(8,312,917)
Total comprehensive expense for the financial year		(7,978,287)	(8,312,917)

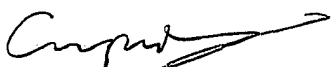
The notes on pages 13 to 25 form part of these financial statements.

ASTON VILLA FC LIMITED
REGISTERED NUMBER: 02502822

BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	134,228,743	52,972,896
Investments		1	1
		<u>134,228,744</u>	<u>52,972,897</u>
Current assets			
Debtors	14	6,528,908	15,003,916
Creditors: amounts falling due within one year	15	(199,832,725)	(141,599,633)
Net current liabilities		<u>(193,303,817)</u>	<u>(126,595,717)</u>
Total assets less current liabilities		<u>(59,075,073)</u>	<u>(73,622,820)</u>
Creditors: amounts falling due after more than one year		(23,475,273)	(949,239)
Net liabilities		<u>(82,550,346)</u>	<u>(74,572,059)</u>
Capital and reserves			
Called up share capital	18	2,000,000	2,000,000
Profit and loss account		(84,550,346)	(76,572,059)
Total shareholders' deficit		<u>(82,550,346)</u>	<u>(74,572,059)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C M C Purslow
Director

Date: 21 FEBRUARY 2021

The notes on pages 13 to 25 form part of these financial statements.

ASTON VILLA FC LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
At 1 June 2018	2,000,000	(68,259,142)	(66,259,142)
Comprehensive expense for the financial year			
Loss for the financial year	-	(8,312,917)	(8,312,917)
Total comprehensive expense for the financial year	-	(8,312,917)	(8,312,917)
At 31 May 2019 and 1 June 2019	2,000,000	(76,572,059)	(74,572,059)
Comprehensive expense for the financial year			
Loss for the financial year	-	(7,978,287)	(7,978,287)
Total comprehensive expense for the financial year	-	(7,978,287)	(7,978,287)
At 31 May 2020	2,000,000	(84,550,346)	(82,550,346)

The notes on pages 13 to 25 form part of these financial statements.

ASTON VILLA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NSWE UK Limited as at 31st May 2020 and these financial statements may be obtained from Villa Park, Trinity Road, Birmingham, B6 6HE.

2.3 Consolidation

The financial statements contain information about Aston Villa FC Limited as an individual company and do not contain consolidated financial information. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statement of its parent, NSWE UK Limited, a company incorporated in the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.4 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 a period of at least 12 months from the date of approval of the financial statements.

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 NSW E SCS. The directors have received confirmation that NSW E SCS intends to support the Group and the Company for at least 12 months from the approval of these financial statements.

Further assessment of the Going concern assessment of the Group is detailed within the financial statements of NSW E UK Limited.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

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.

2.6 Intangible assets - players' registrations

The costs associated with the acquisition of players' registrations are capitalised as an intangible 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.7 Tangible assets

Tangible 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%
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2.8 Impairment of tangible and intangible assets

At each Balance Sheet date, the Company reviews the carrying amounts of its tangible and intangible 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.

2.9 Current and deferred 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.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.11 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.

2.12 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.

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 20.

2.13 Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 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 rewards 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Investments

The Company's investments in subsidiaries are stated at cost less any impairment provision for diminution in value. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Players' registrations

The costs associated with the acquisition of players' registrations are capitalised the fair value of the consideration payable including an estimate of the fair value of any contingent consideration. Subsequent reassessments of the amount of contingent consideration payable are also included in the cost of the player's registration. The estimate of the consideration of the contingent payable requires management to assess the likelihood of specific performance conditions being met which would trigger the payment of the contingent consideration. This assessment is carried out on an individual player basis.

b) Impairment review

The Company will perform an impairment review on intangible assets, including player registrations if adverse events indicate that the amortised carrying value of the asset may not be recoverable. Whilst no individual player can be separated from the single cash generating unit, being the operations of the Group as a whole, there may be certain circumstances where a player is taken out of the cash generating unit, when it becomes clear that they will not play for the club's first team again. For example a player sustaining a career threatening injury or is permanently removed from the first team squad for another reason. If such circumstances were to arise, the carrying value of the player would be assessed against the Company's best estimate of the player's fair value less any costs to sell.

The unamortized balance of existing registrations as of 31 May 2020 was £134.2 million, of which £59.5m million is expected to be amortised in the year ended 31 May 2021. The remaining balance is expected to be amortised over the four years to 31 May 2025.

4. Turnover

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

5. Other operating income

	2020 £	2019 £
Other operating income	<u>304,654</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Exchange differences	172,523	(5,410)
Amortisation of players' registrations	70,599,188	25,512,518
Loss/(profit) on disposal of players' registrations	<u>393,044</u>	<u>(10,598,203)</u>

ASTON VILLA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>9,000</u>	<u>9,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the Group accounts of the parent Company.

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	86,310,608	78,381,891
Social security costs	12,288,171	8,642,396
Other pension costs	148,289	176,262
	<u>98,747,068</u>	<u>87,200,549</u>

The average monthly number of employees during the year were as follows:

	2020 Number	2019 Number
Directors, players, football management and coaches	<u>184</u>	<u>175</u>

9. Directors' remuneration

The directors were employed and remunerated by Aston Villa Football Club Limited in the year ended 31 May 2020 and the year ended 31 May 2019. They did not receive any remuneration specifically for their services as directors of the Company (2019: Nil).

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 NSW UK Limited.

10. Interest payable and similar expenses

	2020 £	2019 £
Interest on other loans	<u>30,612</u>	<u>425,349</u>

ASTON VILLA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

11. Tax on loss

	2020 £	2019 £
Corporation tax		
Current tax on loss for the financial year	57,884	-
Total current tax	<u>57,884</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	57,884	-
Adjustments in respect of prior years	(57,884)	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax on loss	<u>57,884</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Loss before taxation	(7,920,403)	(8,312,917)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,504,877)	(1,579,454)
Effects of:		
Movement in unprovided deferred tax	1,620,645	1,579,454
RDEC credit	(57,884)	-
Total tax charge for the financial year	<u>57,884</u>	<u>-</u>

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted on 7 September 2016 to reduce the main rate of Corporation tax to 17% from 1 April 2020 and deferred tax balances at the Balance Sheet date have been measured using this rate.

Subsequent to the Balance Sheet date, a further change was substantively enacted on 17 March 2020 to maintain the rate at 19%.

ASTON VILLA FC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

12. Intangible assets

	Players' registrations £
Cost	
At 1 June 2019	119,793,207
Additions	155,895,550
Disposals	(45,635,328)
At 31 May 2020	230,053,429
Accumulated amortisation	
At 1 June 2019	66,820,311
Charge for the year	70,599,188
On disposals	(41,594,813)
At 31 May 2020	95,824,686
Net book value	
At 31 May 2020	134,228,743
At 31 May 2019	52,972,896

ASTON VILLA FC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

13. Tangible assets

	Plant and equipment £
Cost	
At 1 June 2019	82,788
At 31 May 2020	<u>82,788</u>
Accumulated depreciation	
At 1 June 2019	82,788
At 31 May 2020	<u>82,788</u>
Net book value	
At 31 May 2020	<u>-</u>
At 31 May 2019	<u>-</u>

14. Debtors

	2020 £	2019 £
Trade debtors	1,609,159	8,082,162
Amounts owed by group undertakings	4,469,013	4,469,013
Prepayments and accrued income	203,966	2,452,741
Tax recoverable	246,770	-
	<u>6,528,908</u>	<u>15,003,916</u>

Trade debtors due in over one year of £Nil (2019: £884,251) 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 (2019: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	43,452,974	28,214,278
Amounts owed to group undertakings	131,183,795	89,720,049
Taxation and social security	11,154,088	2,674,355
Accruals and deferred income	14,041,868	20,990,951
	<u>199,832,725</u>	<u>141,599,633</u>

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.

Other loans are secured against certain receipts for the disposal of intangible asset registrations, incur interest of 5% - 7%, and are repayable on fixed repayment terms.

Derivative financial instruments are measured at fair value through profit or loss.

16. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Trade creditors	<u>23,475,273</u>	<u>949,239</u>

17. 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 £15,140,806 (2019: £12,200,568). The asset would be recovered if sufficient taxable trading profits arise in the future.

18. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,000,000 (2019: 2,000,000) Ordinary shares of £1.00 (2019: £1.00) each	<u>2,000,000</u>	<u>2,000,000</u>

19. 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 2020 is £9,227,569 (2019: £1,352,134).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

20. 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 2017 and allocated £527,494 as the Club's share of the deficit. 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 £97,953 in the year (2019: £93,291). 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 £148,289 (2019: £176,262). At the end of the year, contributions of £Nil (2019: £Nil) were outstanding.

21. Related party transactions

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

22. 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 £7.4m (2019: £Nil). The net cost of these transfers, taking into account the applicable levies, is £109.4m (2019: £131.9m). These transfers will be accounted for in the year ending 31 May 2020.

The COVID-19 pandemic has created a worldwide public health crisis and the financial and economic outlook for every business is uncertain. Football clubs are no different and the global outbreak continues to present uncertainties and challenges during the 2020/21 football season. The Club continues to monitor the situation closely and continues to model financial scenarios for how the current season may develop.

The 2019/20 Premier League season was suspended on 13th March 2020, resumed on 17th June 2020 and eventually concluded on 26th July 2020.

Since the resumption professional football in England has continued to take place behind closed doors. At this stage, the timing of return of fans to stadia remains unknown.

To date, the Premier League has managed to maintain central broadcasting payments at expected levels but the Club is expecting to pay rebates to broadcasters out of future expected cash distributions.

The Club's ability to generate match day income has been interrupted whilst the behind closed doors model for matches continues to operate.

ASTON VILLA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

23. Ultimate parent undertaking and controlling party

At 31 May 2020 the directors consider NSW E SCS, registered in Luxembourg, to be the Company's controlling party.

The immediate parent undertaking is Aston Villa Limited. The largest group to consolidate these financial statements is NSW E UK Limited and the smallest group to consolidate these financial statements is NSW E Sports Limited. Copies of these consolidated financial statements can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.