

ASTON VILLA FC LIMITED

Report and Financial Statements

31 May 2002



BIR
COMPANIES HOUSE

B668KGTQ

0242
17/12/02

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H D Ellis (Chairman)
S M Stride
M J Ansell
D M Owen (non-executive)
A J Hales (non-executive)
P D Ellis (non-executive)

SECRETARY

S M Stride

REGISTERED OFFICE

Villa Park
Trinity Road
Birmingham
B6 6HE

AUDITORS

Deloitte & Touche
Chartered Accountants
Four Brindleyplace
Birmingham
B1 2HZ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2002.

PRINCIPAL ACTIVITIES

The company is engaged in the activities of football and football management.

REVIEW OF THE BUSINESS

The turnover for the year is determined by reference to a trading agreement with another group company. The result is consistent with the directors' expectations and this is expected to continue in the future.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend. The loss for the year of £550,839 (2001 – £544,594) has been transferred from reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were as follows:

H D Ellis (Chairman)

S M Stride

M J Ansell

D M Owen (non executive Appointed 1 July 2001)

J Hales (non executive Appointed 1 July 2001)

P D Ellis (non executive Appointed 1 July 2001)

G Taylor OBE (non executive Appointed 1 July 2001, Resigned 5 February 2002)

None of the directors had any interest in the share capital of the company during the year. Directors' interests in the parent undertaking, Aston Villa PLC, are disclosed in the financial statements of that company.

In accordance with the Articles of Association Mr S M Stride retires as a director of the company and, being eligible, offers himself for re-election

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board on 16 December 2002



S M Stride

Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- 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 proper accounting records which 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 1985. 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.

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

We have audited the financial statements of Aston Villa FC Limited for the year ended 31 May 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

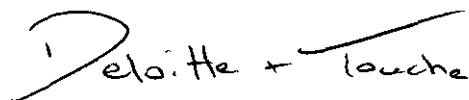
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Birmingham

16 December 2002

PROFIT AND LOSS ACCOUNT
Year ended 31 May 2002

	Note	Operations excluding player amortisation and trading £	Player amortisation and trading £	Total 2002 £	Total 2001 £
TURNOVER	2	29,465,780	-	29,465,780	23,973,000
Operating expenses		(25,355,392)	(14,049,200)	(39,404,592)	(31,181,982)
OPERATING PROFIT/LOSS		4,110,388	(14,049,200)	(9,938,812)	(7,208,982)
Profit on disposal of players		-	9,148,152	9,148,152	6,500,066
PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		4,110,388	(4,901,048)	(790,660)	(708,916)
Interest receivable and similar income				-	140
Interest payable and similar charges – other				(10,525)	(452)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(801,185)	(709,228)
Tax credit on loss on ordinary activities	5			250,346	164,634
LOSS FOR THE YEAR	14			(550,839)	(544,594)

All activities derive from continuing operations.

There are no recognised gains and losses other than the loss for the current and the preceding financial year. Accordingly, no statement of recognised gains and losses is given.

BALANCE SHEET
31 May 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	6	37,989,460	28,674,093
Tangible assets	7	-	5,962
Investments	8	1	1
		<u>37,989,461</u>	<u>28,680,056</u>
CURRENT ASSETS			
Debtors	9	10,215,356	11,021,154
CREDITORS: amounts falling due within one year	10	<u>(39,764,952)</u>	<u>(31,053,763)</u>
NET CURRENT LIABILITIES		<u>(29,549,596)</u>	<u>(20,032,609)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,439,865	8,647,447
CREDITORS: amounts falling due after more than one year	11	(562,100)	(180,000)
Provision for liabilities and charges	12	<u>(205,885)</u>	<u>(244,728)</u>
		<u>7,671,880</u>	<u>8,222,719</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,000,000	2,000,000
Profit and loss account		<u>5,671,880</u>	<u>6,222,719</u>
EQUITY SHAREHOLDERS' FUNDS	15	<u>7,671,880</u>	<u>8,222,719</u>

These financial statements were approved by the Board of Directors on 16 December 2002

Signed on behalf of the Board of Directors

H D ELLIS
Director



NOTES TO THE ACCOUNTS**Year ended 31 May 2002****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are detailed below.

Basis of accounting

The financial statements set out in this report have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents all income arising from the ordinary activities of the company excluding transfer fees and excludes value added tax.

Intangible fixed assets

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts in accordance with Financial Reporting Standard 10 (accounting for goodwill and intangible assets).

Depreciation

Depreciation is calculated on a straight line basis to write down the cost of fixed assets to their estimated residual value over their anticipated useful lives at the following annual rates:

Ground and office equipment	10% - 33%
-----------------------------	-----------

Contingent appearance fees

Provision is made 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.

Signing-on fees

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

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

Pension contributions

The pension cost charged in the year represents contributions payable by the group to various pension schemes.

Cash flow

Aston Villa FC Limited are exempt from preparing a cash flow statement under Financial Reporting Standard 1 on the basis that its immediate parent company, Aston Villa plc, prepares a consolidated cash flow statement.

2. TURNOVER

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

NOTES TO THE ACCOUNTS
Year ended 31 May 2002**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2002	2001
	£	£
Directors' emoluments	Nil	Nil
The directors are remunerated by Aston Villa PLC.		
	No	No
Average number of persons employed		
Directors, players, manager and coaches	98	85
	2002	2001
	£	£
Staff costs during the year		
Wages and salaries	22,144,434	17,499,545
Social security costs	2,638,005	2,089,496
Pension costs	315,020	486,068
	25,097,459	20,075,109

4. OPERATING EXPENSES

	2002	2001
	£	£
Comprise:		
Staff costs (note 3)	25,097,459	20,075,109
Depreciation	5,962	8,768
Amortisation	14,049,200	10,967,905
Depreciation and other amounts written off tangible and intangible fixed assets	14,055,162	10,976,673
Other operating charges	251,971	130,200
	39,404,592	31,181,982

Loss on ordinary activities is stated after charging auditors' remuneration for audit services of £3,000 (2001 - £3,000) and non-audit services of £3,000 (2001 - £3,000).

NOTES TO THE ACCOUNTS
Year ended 31 May 2002**5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES****i) Analysis of tax charge on ordinary activities**

	2002	2001
	£	£
Current tax:		
United Kingdom corporation tax at 30% (2001 – 30%) based on the profit for the year:	(73,400)	(105,000)
Adjustment in respect of prior years	(13,103)	46,270
	<u>(86,503)</u>	<u>(58,730)</u>
Deferred tax:		
Timing differences, origination and reversal	(163,843)	(105,904)
Adjustments in respect of prior years	-	-
	<u>(250,346)</u>	<u>(164,634)</u>

FRS19 (Deferred Taxation) has been adopted in the preparation of these accounts. However, as the group has provided in full for deferred tax in prior periods, there is no impact on the 2002 results nor is there any requirement to restate the comparative figures for 2001.

ii) Factors affecting the current tax charge for the period:

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2001: lower than the standard rate of 30%). The differences are explained below:

	2002	2001
	£	£
Loss on ordinary activities before tax	(801,185)	(709,228)
Tax at 30% thereon	(240,356)	(212,768)
Factors affecting change:		
- Expenses not deductible for tax purposes	3,113	1,864
- Capital allowances in excess of depreciation	710	1,192
- Other deferred tax movements	163,133	104,712
- Prior period adjustments	(13,103)	46,270
	<u>(86,503)</u>	<u>(58,730)</u>
Current tax credit for the period	<u>(86,503)</u>	<u>(58,730)</u>

NOTES TO THE ACCOUNTS
Year ended 31 May 2002**6. INTANGIBLE ASSETS**

	£
Cost	
At 1 June 2001	52,952,993
Additions in year	25,635,115
Disposals in year	(9,746,903)
	<hr/>
At 31 May 2002	68,841,205
	<hr/>
Amortisation	
At 1 June 2001	24,278,900
Charge for the year	14,049,200
Eliminated on disposal	(7,476,355)
	<hr/>
At 31 May 2002	30,851,745
	<hr/>
Net book value	
At 31 May 2002	37,989,460
	<hr/>
At 31 May 2001	28,674,093
	<hr/>

7. TANGIBLE FIXED ASSETS

	Ground and office equipment £
Cost	
At 1 June 2001 and at 31 May 2002	79,267
	<hr/>
Accumulated depreciation	
At 1 June 2001	73,305
Charge for the year	5,962
	<hr/>
At 31 May 2002	79,267
	<hr/>
Net book value	
At 31 May 2002	-
	<hr/>
At 31 May 2001	5,962
	<hr/>

8. INVESTMENTS

The company holds one £1 (2001 – £1) share in the FA Premier League Limited which represents 5% of the total holding.

NOTES TO THE ACCOUNTS
Year ended 31 May 2002**9. DEBTORS**

	2002 £	2001 £
Trade debtors	5,541,343	6,389,208
Trade debtors falling due after more than one year	-	113,333
Other debtors	100,000	18,000
Corporation tax recoverable	105,000	105,000
Amounts due from parent company	4,469,013	4,395,613
	<u>10,215,356</u>	<u>11,021,154</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	8,768,553	2,829,852
Amounts due to fellow subsidiaries	29,898,265	27,425,519
Corporation tax	-	43,822
Other taxation and social security	1,098,134	754,570
	<u>39,764,952</u>	<u>31,053,763</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Trade creditors	<u>562,100</u>	<u>180,000</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation		
Balance at 1 June 2001	169,728	275,632
Transferred to the profit and loss account – current year	(163,843)	(105,904)
Balance at 31 May 2002	<u>5,885</u>	<u>169,728</u>

The total liability comprises as follows:

	2002 £	2001 £
Accelerated capital allowances	(3,237)	(2,527)
Amortisation of intangible assets	9,122	172,255
	<u>5,885</u>	<u>169,728</u>

NOTES TO THE ACCOUNTS**Year ended 31 May 2002****12. PROVISIONS FOR LIABILITIES AND CHARGES (continued)**

	2002 £	2001 £
Contingent appearance fees (see note 1)		
Balance at 1 June 2001	75,000	33,333
Additions in the year	200,000	75,000
Credited in the year	(75,000)	(33,333)
Balance at 31 May 2002	<u>200,000</u>	<u>75,000</u>

We have considered the likelihood of the appearance fees being paid as part of our post Balance Sheet events review and conclude that the appearance fee should remain disclosed as a provision.

The directors anticipate that the provision for contingent appearance fees will be utilised by 31 May 2004.

Total provisions for liabilities and charges	<u>205,885</u>	<u>244,728</u>
-----------------------------------------------------	----------------	----------------

13. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised 2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Called up, allotted and fully paid 2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

14. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 June 2001	6,222,719
Loss for the year	<u>(550,839)</u>
Balance at 31 May 2002	<u>5,671,880</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Opening shareholders' funds	8,222,719	8,767,313
Loss for the financial year	<u>(550,839)</u>	<u>(544,594)</u>
Closing shareholders' funds	<u>7,671,880</u>	<u>8,222,719</u>

16. CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided at 31 May 2002 (2001 - £Nil).

17. CONTINGENT LIABILITIES

The terms of certain contracts with other football clubs in respect of players' transfers include the payment of additional amounts upon fulfilment of specific conditions in the future. The maximum amount that could be payable is £3,300,000 (2001: £2,388,000).

NOTES TO THE ACCOUNTS
Year ended 31 May 2002

18. PENSIONS

Contributions are paid into individuals' private pension schemes. Total contributions charged during the year amounted to £315,020 (2001 - £486,068).

19. ULTIMATE PARENT COMPANY

The directors consider Aston Villa plc, registered in England and Wales, to be the company's controlling party and the only parent undertaking for which group accounts are drawn up. Copies of those group financial statements have been delivered to, and are available from, The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

20. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard 8, the company has not disclosed transactions with investee companies in the group as the company's results are consolidated into the financial statements of Aston Villa plc which are publicly available.