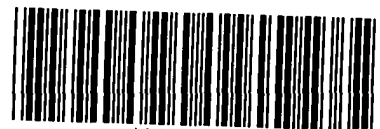


Aston Villa Football Club Limited
Annual report and financial statements
for the year ended 31 May 2016

Registered number: 03375789

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Aston Villa Football Club Limited

Annual report and financial statements for the year ended 31 May 2016

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Aston Villa Football Club Limited

Directors and advisors for the year ended 31 May 2016

Directors

Mr J Xia
Mr K Wyness
Mrs Y Gu

Registered office

Villa Park
Birmingham
West Midlands
B6 6HE

Independent auditors

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

Aston Villa Football Club Limited

Strategic report for the year ending 31 May 2016

The directors present their strategic report and the audited financial statements for the year ended 31 May 2016.

Principal activities

The company is engaged in running the commercial activities of a professional football club in the English Football League.

Results and dividends

The loss for the year after taxation amounted to £29,653,785 (for the year ended 31 May 2015: £57,345,809 loss).

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2015: £nil). They do not recommend a final dividend (for the year ended 31 May 2015: £nil).

Review of business

The football season resulted in a final league place of 20th compared to the previous season where a 17th place finish was achieved. Average League attendances decreased from 34,133 in 2014/15 to 33,732 in the season under review.

The club was relegated from the Premier League and will compete in the English Football League Championship for the 2016/17 season.

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

The number of Aston Villa's televised league matches in 2015/16 was 11, compared to 11 in 2014/15.

Turnover for the year amounted to £106.8m, representing a decrease of 5.1% over the turnover achieved last year of £112.5m.

Administrative expenses amounted to £137.0m (2015: £169.0m), a decrease of £32.0m.

The operating loss for the year amounted to £30.2m (2015: £56.6m loss). The loss for the financial year of £29.7m (2015: £57.3m loss) has been deducted from reserves and consequently increased the shareholders' deficit.

Net liabilities at the year-end were £140.2m (2015: £110.5m). 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 intend to support the company for at least one year after these financial statements are signed.

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 May 2015. The date of transition to FRS 102 was 1 June 2014. The impact of this adoption is further explained in note 19.

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.

Aston Villa Football Club Limited

Strategic report for the year ending 31 May 2016 (continued)

Principal risks and uncertainties

The key risk facing any club is the deterioration of on field performance and results. The board mitigates this risk to the best of its ability by providing the manager with first class training facilities and appropriate payroll & transfer budgets, and through generous support to the Academy. The acquisition of players and their related payroll costs are deemed a 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 Limited's management regularly review and monitor the Company's risks.



Mr K Wyness

Director

Aston Villa Football Club Limited

Registered number: 03375789

Directors' report for the year ending 31 May 2016

The directors present their report and the audited financial statements for the year ended 31 May 2016.

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 2015: £nil). They do not recommend a final dividend (for the year ended 31 May 2015: £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 (2015: £nil).

Financial risk management

The financial risk management objectives and policies of the group are fully described in the 2015 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.

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

Directors

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

Mr T Fox (resigned 17th March 2016)
Mr R Russell (resigned 11th February 2016)
Mr D Bernstein (appointed 11th March 2016 resigned 18th April 2016)
Mr S Hollis (appointed 4th February 2016 resigned 14th June 2016)
General C Krulak (appointed 11th March 2016 resigned 14th June 2016)
Mr R Lerner (appointed 4th February 2016 resigned 14th June 2016)
Mr J Xia (appointed 14th June 2016)
Mr K Wyness (appointed 22nd June 2016)
Mrs Y Gu (appointed 10th August 2016)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law),

Aston Villa Football Club Limited

Registered number: 03375789

Directors' report for the year ending 31 May 2016 (continued)

Directors' responsibilities statement (continued)

including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

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

Directors' and officers' insurance

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting. This report was approved by the board on 29-11-16 and signed on its behalf.



Mr K. Wyness
Director

Aston Villa Football Club Limited

Registered number: 03375789

Independent auditors' report to the members of Aston Villa Football Club Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the company's affairs as at 31 May 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the Balance sheet as at 31 May 2016;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.

Aston Villa Football Club Limited

Registered number: 03375789

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

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 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



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

29/11/16.

Aston Villa Football Club Limited

Registered number: 03375789

Profit and loss account for the year ended 31 May 2016

	Note	2016 £	2015 £
Turnover	2	106,752,215	112,450,205
Administrative expenses		(136,995,182)	(169,053,525)
Operating loss		(30,242,967)	(56,603,320)
Interest receivable and similar income	5	1,302,766	-
Interest payable and similar charges	6	(713,584)	(742,489)
Loss on ordinary activities before taxation	3	(29,653,785)	(57,345,809)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year		(29,653,785)	(57,345,809)

All the above figures relate to continuing operations.

The company has no recognised gains and losses other than those included in the loss above, and therefore no separate statement of other comprehensive income has been presented.

Aston Villa Football Club Limited

Registered number: 03375789

Balance sheet as at 31 May 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	9,034,013	9,979,713
Current assets			
Stocks	9	326,141	593,779
Debtors	10	87,917,892	83,304,308
Cash at bank and in hand		97,552	82,896
		88,341,585	83,980,983
Creditors: amounts falling due within one year	11	(237,543,132)	(204,474,445)
Net current liabilities		(149,201,547)	(120,493,462)
Total assets less current liabilities		(140,167,534)	(110,513,749)
Net liabilities		(140,167,534)	(110,513,749)
Capital and reserves			
Called up share capital	15	84,938,182	84,938,182
Profit and loss account		(225,105,716)	(195,451,931)
Total shareholders' deficit		(140,167,534)	(110,513,749)

The notes on pages 11 to 23 are an integral part of these financial statements.

The financial statements on pages 8 to 23 were approved by the Board of Directors on 29-11-16

Signed on behalf of the Board of Directors



Mr K. Wyness
Director

Aston Villa Football Club Limited

Registered number: 03375789

Statement of changes in equity for the year ended 31 May 2016

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 June 2014	1	(138,106,122)	(138,106,121)
Loss for the year	-	(57,345,809)	(57,345,809)
Share capital issued in year	84,938,181	-	84,938,181
Balance at 31 May 2015	84,938,182	(195,451,931)	(110,513,749)
Loss for the year	-	(29,653,785)	(29,653,785)
Balance at t 31 May 2016	84,938,182	(225,105,716)	(140,167,534)

The accounting policies and the notes on pages 11 to 23 form part of these financial statements.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016

1 Accounting policies

General information

Aston Villa Football Club Limited ('the company') principal activity continues to be the running of commercial activities of a professional football club.

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

Statement of compliance

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

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 19.

Basis of accounting

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

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

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

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

Consolidated financial statements

The company is a wholly owned subsidiary of Reform Acquisitions Limited, which is its ultimate parent. It is included in the consolidated financial statements of Reform Acquisitions Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are the company's separate financial statements.

Aston Villa Football Club Limited

1 Accounting policies (continued)

Functional Currency

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts due for goods and services, excluding transfer fees receivable in respect of the disposal of players' registrations, provided in the normal course of business. It is stated net of discounts and value added tax. Turnover is recognised as follows:

Match ticket income is recognised over the period of the English football season, covering the period from August to May each year, as home matches are played. Fixed elements of broadcasting contracts are taken in proportion to the number of league matches played, home and away, compared to the total number of league matches playable in the football season. Broadcasting facility fees are accounted for when earned. The merit award is taken when final league position is known at the end of the financial year. Merchandising, travel and catering revenues are recognised on an earned basis. Turnover from royalties, executive box rentals and sponsorships are recognised over the duration of their respective contracts.

Exceptional items

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

Tangible fixed assets

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

Plant and equipment	10-33%
Motor vehicles	25%
Freehold buildings	2%

Impairment of tangible assets

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in marketing and selling. Provision is made for obsolete or slow-moving items where appropriate.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

1 Accounting policies (continued)

Taxation

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

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

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

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

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

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

Deferred tax is measured on an undiscounted basis.

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 16.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

2 Accounting policies (continued)

Leases

Assets acquired under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible assets and are depreciated over their useful lives. The capital element of future lease obligations are recorded as liabilities with the interest element being charged to the profit and loss account at a constant rate over the period of the lease.

Financial instruments

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

Financial assets

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

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.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements

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) Impairment review

The company will perform an impairment review on tangible assets if adverse events indicate that the amortised carrying value of the asset may not be recoverable. If such circumstances were to arise, the carrying value of the assets would be assessed against the company's best estimate of the asset's fair value less any costs to sell.

2 Turnover

	2016	2015
	£	£
Turnover comprises:		
Gate receipts	13,696,481	13,848,166
Broadcasting	65,030,293	71,446,837
Sponsorship	11,832,683	10,948,339
Commercial	16,082,954	16,206,863
UEFA solidarity and prize money	109,804	-
	106,752,215	112,450,205

The constituents of each component are as follows:

Gate receipts – Revenues generated from the sale of match tickets.

Broadcasting – Distributions from the FA Premier League broadcasting agreements, including the merit award, cup competition broadcasting rights and local radio broadcasting.

Sponsorship – Major sponsorship contracts and club partnership agreements.

Commercial – Merchandising, royalties, conference and banqueting and all other revenue sources.

UEFA solidarity and prize money – Distributions received from UEFA, European football's governing body.

The company only recognises one segment, being professional football operations, and one main geographical segment, being the United Kingdom, therefore no further segmental information is provided.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

3 Loss on ordinary activities before taxation

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

	2016	2015
	£	£
Depreciation of owned tangible fixed assets	2,032,922	3,023,518
Profit/(loss) on disposal of tangible fixed assets	(14,803)	3,295
Stock recognised as an expense	4,756,456	5,010,602
Staff costs (note 4)	15,861,844	13,482,953
Auditors' remuneration for audit services	50,000	50,000
Reversal of intercompany loan forgiven	-	37,855,000
Impairment of tangible assets (included in 'administrative expenses')	406,655	-

4 Staff costs

	2016	2015
	Number	Number
Average monthly number of employees by activity		
Directors	2	2
Commercial, merchandising and operational	259	261
Maintenance and administration	87	89
Full time employees	348	352
Part time employees on matchdays and other events	1080	1,084
Total employees	1,428	1,436

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

4 Staff costs (continued)

	£	£
Remuneration		
Wages and salaries	14,683,507	12,115,173
Social security costs	806,342	986,628
Other pension costs (note 16)	371,995	381,152
	15,861,844	13,482,953

	2016	2015
	£	£
Directors' remuneration		
Aggregate emoluments	4,578,897	1,549,938
Company contribution to money purchase schemes	54,000	36,049
	4,632,897	1,585,987

Company contribution to money purchase schemes relate to one directors (2015: two). The aggregate amount of compensation paid to directors or past directors for loss of office was £2,590,000.

	2016	2015
	£	£
Remuneration of the highest paid director		
Aggregate emoluments	2,960,343	1,255,769

Key management personnel are considered to be the directors of the Company.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

5 Interest receivable and similar income

	2016 £	2015 £
Gains on derivative financial instruments	1,302,326	-
Other interest receivable	440	
	1,302,766	

6 Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	713,584	742,489

7 Tax on loss on ordinary activities

	2016 £	2015 £
Current tax:		
UK corporation tax: UK Corporation tax on profits for the year	-	-
Adjustment in respect of prior periods	-	-
	-	-
Deferred tax:		
UK: Origination and reversal of timing differences	-	-
Impact of change in tax rate	-	-
Tax on profit on ordinary activities	-	-

Corporation tax is calculated at 20.00% (2015: 20.83%) of the estimated assessable profit/loss for the year.

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK (20.00%) (2015: 20.83%). The differences are explained below:

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

7 Tax on loss on ordinary activities (continued)

	2016	2015
	£	£
Loss on ordinary activities before tax	(29,653,785)	(57,345,809)
Tax at the UK corporation tax rate of 20.00% (2015: 22.67%)	(5,930,757)	(13,000,294)
Non taxable income	-	200,223
Non deductible cost	131,685	8,940,358
Capital allowances less than depreciation	-	434,121
Other timing differences	-	24,139
Movement in unprovided deferred tax	5,799,072	-
Utilisation of brought forward tax losses	-	3,401,453
Tax expense for the year	-	-

During the year the main rate of corporation tax was reduced from 21% to 20%. This change was effective from 1 April 2015.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017, and 18% from 1 April 2020 have already been substantially enacted on 26 October 2015.

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

8 Tangible assets

	Freehold buildings £	Plant and equipment £	Total £
Cost			
At 1 June 2015	5,923,533	28,748,687	34,672,220
Additions	302,704	1,201,370	1,504,074
Disposals	-	(40,788)	(40,788)
At 31 May 2016	6,226,237	29,909,269	36,135,506
Accumulated depreciation			
At 1 June 2015	912,547	23,779,960	24,692,507
Charge for the year	116,651	1,916,271	2,032,922
Impairment in the year	198,068	208,587	406,655
Disposals	-	(30,591)	(30,591)
At 31 May 2016	1,227,266	25,874,227	27,101,493
Net book value			
At 31 May 2016	4,998,971	4,035,042	9,034,013
At 31 May 2015	5,010,986	4,968,727	9,979,713

9 Stocks

	2016 £	2015 £
Goods held for resale	326,141	593,779

Stocks are stated after provisions for impairment of £nil (2015: £nil)

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

10 Debtors

	2016 £	2015 £
Trade debtors	7,528,946	9,648,151
Amounts owed by group undertakings	77,561,376	73,349,300
Other debtors	38,637	78,740
Derivative financial instruments	1,302,326	-
Prepayments and accrued income	1,486,607	228,117
	87,917,892	83,304,308

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

Trade debtors are stated after provisions for impairment of £nil (2015: £nil).

11 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	11,635,041	20,362,048
Trade creditors	3,778,806	4,503,350
Amounts owed to group undertakings	208,087,170	171,775,515
Taxation and social security costs	849,479	1,604,320
Other creditors	250,741	638,625
Accruals and deferred income	12,941,895	5,590,587
	237,543,132	204,474,445

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

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

12 Loans and other borrowings

	2016 £	2015 £
Bank loans and overdrafts	11,635,041	20,362,048

The bank loans and overdrafts, which are secured on the Group's land and property assets, bear interest on margins above Bank of England Base Rate.

The bank overdraft is renewable annually and repayable on demand. At the balance sheet date, the group had undrawn overdraft borrowing facilities of £10,104,433 (2015: £2,114,776).

13 Maturity of financial liabilities

	2016 £	2015 £
Falling due in one year or less, or on demand	11,635,041	20,362,048
Falling due in more than one year but less than two years	-	-
	11,635,041	20,362,048

14 Deferred tax

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances, short term timing differences and tax trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £40.6 million (2015: £39.3 million). The asset would be recovered if sufficient taxable trading profits arise in the future.

15 Called up share capital

	2016 £	2015 £
Allotted and fully paid		
84,938,182 (2015: 84,938,182) ordinary shares of £1 each	84,938,182	84,938,182

Aston Villa Football Club Limited

Notes to the financial statements for the year ended 31 May 2016 (continued)

16 Retirement benefit schemes

Certain members of the Group's staff are members of either the Football League Limited Players' Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Company is one of a number of participating employers in the scheme, it is not possible to allocate any actuarial surplus or deficit on an annual basis. However, under Section 75 of the Pensions Act 1995, the Company, as a participating employer in the scheme, is liable to fund the deficit relating to Company's ex-employees who are members of the scheme. The Scheme Actuary finalised a full valuation as at 31 August 2014 in April 2015 and allocated £395,725 as the Club's share of the deficit as at 1 September 2014. The deficit is funded by annual contributions. The balance outstanding at the year-end date is included in other creditors. The Club has made contributions of £89,916 in the year (2015: £314,717). The assets of the scheme are held separately from those of the Company.

At the year end, the amount outstanding in relation to the defined contribution schemes was £238,372 (2015: £328,288).

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £371,995 (2015: £381,152). At the end of the year, contributions of £50,996 (2015: £61,842) were outstanding.

17 Ultimate parent undertaking and controlling party

At 31 May 2016 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 at the balance sheet date was Reform Acquisitions LLC, a Company registered in the United States of America, and the ultimate controlling party was Mr R Lerner.

On 14th June 2016 the share capital of Reform Acquisitions LLC was acquired by Recon Sports Ltd, a company whose ultimate controlling party is Mr J Xia.

18 Related party transactions

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

19 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 May 2015. The date of transition to FRS 102 was 1 June 2014. We have not set out below changes in accounting policies which reconcile profit for the financial year ended 31 May 2015 and the total equity as at 1 June 2014 and 31 May 2015 between UK GAAP as previously reported and FRS 102 as no material changes were identified.