

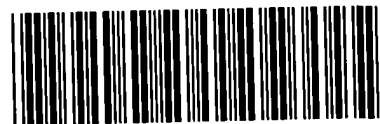
Aston Villa Football Club Limited

Annual report and financial statements

for the year ended 31 May 2017

Registered number: 03375789

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# **Aston Villa Football Club Limited**

**Registered number: 03375789**

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

	<b>Page</b>
Directors and advisors for the year ended 31 May 2017 .....	1
Strategic report for the year ended 31 May 2017 .....	2
Directors' report for the year ended 31 May 2017 .....	4
Independent auditors' report to the members of Aston Villa Football Club Limited.....	6
Profit and loss account for the year ended 31 May 2017 .....	8
Balance sheet as at 31 May 2017 .....	9
Statement of changes in equity for the year ended 31 May 2017 .....	10
Notes to the financial statements for the year ended 31 May 2017 .....	11

# **Aston Villa Football Club Limited**

**Registered number: 03375789**

## **Directors and advisors for the year ended 31 May 2017**

### **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**

**Registered number: 03375789**

## **Strategic report for the year ended 31 May 2017**

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

### **Principal activities**

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

### **Results and dividends**

The loss for the financial year amounted to £7,557,260 (for the year ended 31 May 2016: £29,653,785 loss).

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

### **Review of business**

The football season resulted in a final league place of 13<sup>th</sup>. Average League attendances decreased from 34,133 in 2015/16 to 32,018 in the season under review.

The club will compete in the English Football League Championship for the 2017/18 season.

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

Turnover for the year amounted to £71.1m, representing a decrease of 33.4% over the turnover achieved last year of £106.8m.

Administrative expenses amounted to £78.6m (2016: £137.0m), a decrease of £58.4m.

The operating loss for the year amounted to £7.5m (2016: £30.2m loss). The loss for the financial year of £7.6m (2016: £29.7m loss) has been deducted from reserves and consequently increased the shareholders' deficit.

Net liabilities at the year-end were £147.7m (2016: £140.2m). 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, Zhejiang Ruikang (Recon) Investment Co. Ltd. The directors have received confirmation that Zhejiang Ruikang (Recon) Investment Co. Ltd intend to support the company for at least one year after these financial statements are signed.

### **Key Performance Indicators ('KPIs')**

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

# **Aston Villa Football Club Limited**

**Registered number: 03375789**

## **Strategic report for the year ended 31 May 2017 (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 FC Limited**

## **Directors' report for the year ended 31 May 2017**

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

### **Future developments**

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

### **Dividends**

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

### **Charitable contributions**

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

### **Financial risk management**

The financial risk management objectives and policies of the group are fully described in the 2017 annual report of the holding company, Recon Sports Limited.

### **Going concern**

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

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

### **Directors**

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

Mr S Hollis (resigned 14<sup>th</sup> June 2016)  
General C Krulak (resigned 14<sup>th</sup> June 2016)  
Mr R Lerner (resigned 14<sup>th</sup> June 2016)  
Mr J Xia (appointed 14<sup>th</sup> June 2016)  
Mr K Wyness (appointed 22<sup>nd</sup> June 2016)  
Mrs Y Gu (appointed 10<sup>th</sup> August 2016)

# Aston Villa FC Limited

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

### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

### Directors' and officers' insurance

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

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting. This report was approved by the board on 21 / 12 / 17 and signed on its behalf.



**Mr K. Wyness**  
Director

# **Aston Villa FC Limited**

## **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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

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

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

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

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

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



# Aston Villa FC Limited

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

### Directors' remuneration

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

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

#### What an audit of financial statements involves

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

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

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

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

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



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

21 December 2017

# Aston Villa Football Club Limited

Registered number: 03375789

## Profit and loss account for the year ended 31 May 2017

	Note	2017 £	
<b>Turnover</b>	2	<b>71,122,179</b>	106,752,215
Administrative expenses		<b>(78,618,335)</b>	(136,995,182)
<b>Operating loss</b>		<b>(7,496,156)</b>	(30,242,967)
Interest receivable and similar income	5	<b>23,833</b>	1,302,766
Interest payable and similar expenses	6	<b>(84,937)</b>	(713,584)
<b>Loss before taxation</b>	3	<b>(7,557,260)</b>	(29,653,785)
Tax on loss	7	-	-
<b>Loss for the financial year</b>		<b>(7,557,260)</b>	(29,653,785)

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 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	9,083,217	9,034,013
<b>Current assets</b>			
Stocks	9	-	326,141
Debtors	10	115,287,525	87,917,892
Cash at bank and in hand		116,483	97,552
		115,404,008	88,341,585
<b>Creditors: amounts falling due within one year</b>	11	(272,212,019)	(237,543,132)
<b>Net current liabilities</b>		(156,808,011)	(149,201,547)
<b>Total assets less current liabilities</b>		(147,724,794)	(140,167,534)
<b>Net liabilities</b>		(147,724,794)	(140,167,534)
<b>Capital and reserves</b>			
Called up share capital	15	84,938,182	84,938,182
Profit and loss account		(232,662,976)	(225,105,716)
<b>Total shareholders' deficit</b>		(147,724,794)	(140,167,534)

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 21/12/17

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 2017

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
Balance at 1 June 2015	<b>84,938,182</b>	<b>(195,451,931)</b>	<b>(110,513,749)</b>
Loss for the financial year	-	(29,653,785)	(29,653,785)
Balance at 31 May 2016	<b>84,938,182</b>	<b>(225,105,716)</b>	<b>(140,167,534)</b>
Loss for the financial year	-	(7,557,260)	(7,557,260)
Balance at 31 May 2017	<b>84,938,182</b>	<b>(232,662,976)</b>	<b>(147,724,794)</b>

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

# **Aston Villa Football Club Limited**

Registered number: 03375789

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

### **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.

#### **Basis of accounting**

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

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

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

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

#### **Consolidated financial statements**

The company is a wholly owned subsidiary of Recon Sports Limited group. It is included in the consolidated financial statements of Recon Sports 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

Registered number: 03375789

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

### 1 Accounting policies (continued)

#### Functional Currency

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

#### 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. 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**

Registered number: 03375789

## **Notes to the financial statements for the year ended 31 May 2017 (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

Registered number: 03375789

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

### 1 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 regards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial liabilities

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

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



# Aston Villa Football Club Limited

Registered number: 03375789

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

	2017	2016
	£	£
Turnover comprises:		
Gate receipts	10,735,621	13,696,481
Broadcasting	48,059,992	65,030,293
Sponsorship	2,710,000	11,832,683
Commercial	9,616,566	16,082,954
UEFA solidarity and prize money	-	109,804
	71,122,179	106,752,215

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 and English Football 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

Registered number: 03375789

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

### 3 Loss before taxation

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

	2017	2016
	£	£
Depreciation of owned tangible fixed assets	<b>1,602,283</b>	2,032,922
Loss/(profit) on disposal of tangible fixed assets	<b>4,715</b>	(14,803)
Staff costs (note 4)	<b>8,450,658</b>	15,861,844
Stock recognised as an expense	<b>2,981,000</b>	4,756,456
Auditors' remuneration for audit services	<b>50,000</b>	50,000
Impairment of tangible assets (included in 'administrative expenses')	-	406,655

### 4 Staff costs

	2017	2016
	Number	Number
<b>Average monthly number of employees by activity</b>		
Directors	<b>3</b>	2
Commercial, merchandising and operational	<b>168</b>	259
Maintenance and administration	<b>55</b>	87
Full time employees	<b>226</b>	348
Part time employees on matchdays and other events	<b>663</b>	1,080
Total employees	<b>889</b>	1,428

# Aston Villa Football Club Limited

Registered number: 03375789

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

### 4 Staff costs (continued)

	2017	2016
	£	£
<b>Remuneration</b>		
Wages and salaries	7,360,227	14,683,507
Social security costs	807,765	806,342
Other pension costs (note 16)	282,666	371,995
	<b>8,450,658</b>	<b>15,861,844</b>

	2017	2016
	£	£
<b>Directors' remuneration</b>		
Aggregate emoluments	349,547	4,578,897
Company contribution to money purchase schemes	8,248	54,000
	<b>357,795</b>	<b>4,632,897</b>

Company contribution to money purchase schemes relate to one director (2016: one).

	2017	2016
	£	£
<b>Remuneration of the highest paid director</b>		
Aggregate emoluments	357,795	2,960,343

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

# Aston Villa Football Club Limited

Registered number: 03375789

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

### 5 Interest receivable and similar income

	2017	2016
	£	£
Gains on derivative financial instruments	13,631	1,302,326
Other interest receivable	10,202	440
	23,833	1,302,766

### 6 Interest payable and similar expenses

	2017	2016
	£	£
Bank interest payable	84,937	713,584

### 7 Tax on loss

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

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

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

# Aston Villa Football Club Limited

Registered number: 03375789

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

### 7 Tax on loss (continued)

	2017	2016
	£	£
Loss before tax	(7,557,260)	(29,653,785)
Taxation at the UK corporation tax rate of 19.83% (2016: 20.00%)	(1,498,822)	(5,930,757)
Non-taxable cost	102,630	131,685
Movement in unprovided deferred tax	1,396,192	5,799,072
Tax expense for the year	-	-

During the year the main rate of corporation tax was reduced from 20% to 19%. This change was effective from 1 April 2017.

# Aston Villa Football Club Limited

Registered number: 03375789

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

### 8 Tangible assets

	Freehold buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 June 2016	6,226,237	29,909,269	36,135,506
Additions	-	1,663,306	1,663,306
Disposals	-	(30,265)	(30,265)
<b>At 31 May 2017</b>	<b>6,226,237</b>	<b>31,542,310</b>	<b>37,768,547</b>
<b>Accumulated depreciation</b>			
At 1 June 2016	1,227,266	25,874,227	27,101,493
Charge for the year	114,670	1,487,613	1,602,283
Disposals	-	(18,446)	(18,446)
<b>At 31 May 2017</b>	<b>1,341,936</b>	<b>27,343,394</b>	<b>28,685,330</b>
<b>Net book value</b>			
<b>At 31 May 2017</b>	<b>4,884,301</b>	<b>4,198,916</b>	<b>9,083,217</b>
At 31 May 2016	4,998,971	4,035,042	9,034,013

### 9 Stocks

	2017 £	2016 £
Goods held for resale	-	326,141

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

# Aston Villa Football Club Limited

Registered number: 03375789

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

### 10 Debtors

	2017	2016
	£	£
Trade debtors	6,704,239	7,528,946
Amounts owed by group undertakings	104,632,255	77,561,376
Other debtors	1,166,908	38,637
Derivative financial instruments	1,315,957	1,302,326
Prepayments and accrued income	1,468,166	1,486,607
	<b>115,287,525</b>	<b>87,917,892</b>

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 (2016: £nil).

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

	2017	2016
	£	£
Bank loans and overdrafts	1,067,687	11,635,041
Trade creditors	4,296,100	3,778,806
Amounts owed to group undertakings	256,733,949	208,087,170
Taxation and social security costs	906,058	849,479
Other creditors	396,323	250,741
Accruals and deferred income	8,811,902	12,941,895
	<b>272,212,019</b>	<b>237,543,132</b>

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

# Aston Villa Football Club Limited

Registered number: 03375789

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

### 12 Loans and other borrowings

	2017	2016
	£	£
Bank loans and overdrafts	1,067,687	11,635,041

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 loans and overdraft are renewable annually and repayable on demand. At the balance sheet date, the group had undrawn overdraft borrowing facilities of £4,513,396 (2016: £10,104,433).

### 13 Maturity of financial liabilities

	2017	2016
	£	£
Falling due in one year or less, or on demand	1,067,687	11,635,041
Falling due in more than one year but less than two years	-	-
	1,067,687	11,635,041

### 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 £39.5 million (2016: £40.6 million). The asset would be recovered if sufficient taxable trading profits arise in the future.

### 15 Called up share capital

	2017	2016
	£	£
<b>Allotted and fully paid</b>		
84,938,182 (2016: 84,938,182) ordinary shares of £1 each	84,938,182	84,938,182



# **Aston Villa Football Club Limited**

Registered number: 03375789

## **Notes to the financial statements for the year ended 31 May 2017 (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 (2016: £89,916). 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 £148,456 (2016: £238,372).

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £282,666 (2016: £371,995). At the end of the year, contributions of £34,564 (2016: £50,996) were outstanding.

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

At 31 May 2017 the directors consider Recon Group UK Limited, registered in England and Wales, to be the company's controlling party. Copies of Recon Group UK Limited group financial statements have been delivered to, and are available from, The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors the ultimate parent undertaking at the balance sheet date was Zhejiang Ruikang Investment Co. Ltd, a Company registered in China, and the ultimate controlling party was Mr J Xia.

### **18 Related party transactions**

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