

**Registered number: 05891280**

**NSWE SPORTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2022**



## **NSWE SPORTS LIMITED**

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## **NSWE SPORTS LIMITED**

### **COMPANY INFORMATION**

**Directors**

W R Edens  
C M C Purslow  
N Sawiris

**Registered number**

05891280

**Registered office**

Villa Park  
Birmingham  
West Midlands  
B6 6HE

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Chamberlain Square  
Birmingham  
B3 3AX

## NSWE SPORTS LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2022

The directors present the Strategic Report and the audited consolidated financial statements of NSWE Sports Limited (the "Group") and NSWE Sports Limited (the "Company") for the year ended 31 May 2022.

#### Principal activities

The Group operates a professional football club and has property investments. The principal activity of the Company is that of a holding Company.

#### Review of business

The 2021/22 football season saw the Club competing in the Premier League for a third consecutive season. The Club was focused upon consolidating its Premier League status and invested £203.5m (2021: £101.4m) in the acquisition of new players, partly financed by the club record sale of Jack Grealish to Manchester City. Capital investment on infrastructure also continued with tangible fixed asset additions in the year of £7.1m (2021: £4.2m).

The football season culminated in a final league place of 14th which meant the club will again compete in the Premier League in the 2022/23 season.

Turnover for the year amounted to £178.4m (2021: £183.6m). The result, before taxation, amounted to a profit before taxation of £0.4m (2021: loss £37.3m). The profit for the financial year of £0.3m (2021: loss £37.0m) has been added to reserves.

Net assets at the year-end were £143.4m (2021: £143.1m).

The directors have not declared or paid an interim dividend during the year (2021: £Nil). They do not recommend a final dividend (2021: £Nil).

#### Principal risks and uncertainties

The key risk facing any club is that of poor on field results. The Board attempts to mitigate this risk by providing the manager with first class training facilities and appropriate payroll and transfer budgets, and through generous support to the Academy.

The Board is focused on providing necessary investment in the playing squad, operational functions and infrastructure of the Club whilst recognising that it must remain compliant with 'Premier League' profit and sustainability rules.

Management will continue to review forecast compliance with Premier League profit and sustainability rules and the directors believe they will remain compliant for the 2022/23 season.

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

The directors consider that the key performance indicators of a professional football club are finishing position in the league, progress in cup competitions and average league attendance. The Group also monitors financial KPI's and although not exhaustive the table below summarises major KPI's over the reporting period

	2022	2021
League Finishing Position	14th Premier League	11th Premier League
FA Cup Competition	3rd Round	3rd Round
Football League Cup Competition	3rd Round	4th Round
Average League Attendance*	41,670	-
Turnover (£)	178.4m	183.6m
Total staff costs (£)	137.0m	137.8m
Profit/(loss) before taxation (£)	0.4m	(37.3)m

\* No data available for 2020/21 due to all league games being played behind closed doors.

## **NSWE SPORTS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

#### **Promotion related payment**

In accordance with the provisions of the purchase agreement dated 18 May 2016 between Recon Group Limited (Hong Kong) (Buyer), Alfred Lerner Declaration of Trust, Randolph D Lerner (together the Sellers) and Zhejiang Ruikang Investment Co. Limited and Jian Tong Xia (together the Guarantors), the Club entered into an assignment letter, which provided that if Recon Group Limited (Hong Kong) and the Guarantors failed to pay a £10m bonus due to the Sellers on retention of premier league status for three consecutive seasons, then the Club would be liable for the bonus payment.

Following the end of the 2021/2022 season, the Club received a default notice from the sellers dated 10 June 2022.

As a result, a £10m liability is recognised within these financial statements. This liability was settled through payment on 15 July 2022, see page 28.

#### **Directors' statement of compliance with duty to promote the success of the Group**

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

#### **Supporters**

Aston Villa supporters continue to be famous throughout the game for their passion and loyalty. It is our privilege to have Premier League games at Villa Park consistently sold out and the demand for Season Tickets remains unabated with more than 28,000 people on the waiting list.

The club has long-term plans to increase the capacity of the stadium to over 50,000 and is working with the relevant authorities to ensure the city's transport system will be resilient and deal with this increased demand.

Our consultation and dialogue with supporters is structured through the Fans Consultation Group and this body made up of diverse groups has met 8 times with senior club officials to discuss major issues including; redevelopment, season ticket pricing and the relaunching of the club's crest.

The FCG are crucial in this process as their opinions, advice and experiences are taken into account by the club before final decisions are made and we are grateful to those committed supporters who give a significant amount of time to advise, suggest, recommend and help the club understand the views of a wide proportion of the fanbase.

The introduction of the new crest was the biggest consultation programme the club has ever embarked on. It culminated in more than 21,000 supporters voting to decide which option will be introduced in time for next season and we have been in dialogue with both the Premier League and FA to ensure that our consultation process met the objectives of the new Fan Engagement Standard being introduced across the game and can be used as a benchmark for others to follow.

#### **Staff**

Our staff are at the heart of everything we do, and we recognise the valuable contribution made by every colleague within our Aston Villa family.

The physical and mental wellbeing of our staff is of utmost importance to the Club. The Club has launched the 'You Matter' initiative which strives to provide our colleagues with access to invaluable advice, support and tools needed to improve overall wellbeing. The Club has also appointed a dedicated team of Mental Health First Aiders who are fully trained to provide onsite support across all Club sites. The Club is aware of the current ongoing current economic climate and is taking steps to support staff, including access to financial advice and support through our Employee Assistance Programme (EAP) and discounted travel to work via our regional travel partner.

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2022**

**Directors' statement of compliance with duty to promote the success of the Group (continued)**

The Club values the importance of Equality, Diversity and Inclusion with our 'All In' initiative which has been fully embraced across all areas of our business. To support this, the Club has recently achieved the Premier League's Equality, Diversity and Inclusion Standard (PLEDIS) at Preliminary Level, and we are a proud member of The FA's Football Leadership Diversity Code (FLDC). The Club is now working towards achieving PLEDIS at Intermediate level, and we have set up an internal EDI internal working group in order to drive forward the important work and activities in this area and facilitate meaningful consultation with staff.

We are continually striving towards making Aston Villa a truly great place to work and the Club's Employee Consultation Forum (ECF) is an internal consultation mechanism enabling the Club to meet regularly with our Staff Departmental Representatives on matters of policy development and staff initiatives. Following the pandemic, the Club has also embraced new ways of working to enable our staff to work flexibly from home and across Club sites wherever possible.

The Club has continued to invest in our talented workforce by providing learning and development opportunities through apprenticeships and course sponsorship. We have continued to recruit and attract talented staff to drive the Club forward in light of our determination to deliver excellence, innovation and unity both on and off the pitch.

***Community***

The Aston Villa Foundation has continued to grow and increase its reach and delivery during 2021-22. The Foundation continues to expand its work across sport, health and wellbeing, education, skills employment, and community safety agendas for people of all ages.

The Foundation aligns its projects and delivery with local statutory and societal priorities, working with a range of partners from the voluntary, commercial and public sectors to increase its reach and impact. The Foundation would like to acknowledge the support of its partners and funders who have made it possible to continue to support to some of the city's most vulnerable people and communities in the aftermath of the Covid-19 pandemic.

***Commercial Partners***

The Club enjoyed another successful year with Cazoo as one of our Principal Partners. The year saw the ending of our 3 year long technical kit partnership with Kappa. The Club remains committed to delivering its strategy of growing its partnership portfolio in terms of total number of partners, industries, and worldwide geographic spread.

At the end of the 2021/22 season, the Club had over 10m social media connections across Facebook (3.7m), Twitter (2.2m), Instagram (2m), as well as TikTok (1.3m), Weibo (500k) and YouTube (300k). Between 1st June 2021 and 31st May 2022, the Club gained 2.9 million followers across all of our social media platforms – an increase of 40%.

***Governing Authorities***

The Club maintains a close working relationship with both The F.A. and The Premier League and is committed to operating within their framework of rules and regulations. Club management regularly attend Premier League shareholder meetings.

***Decision making at board level***

All matters relating to the Group's governance are reserved for decision by the Board and are presented for consideration at Board meetings. Directors are briefed on potential impacts and risks for the Club, supporters, staff, the local community, commercial partners and governing authorities. These factors are taken into account before making decisions that the Directors believe to be in the best interests of the Group and its stakeholders.

## **NSWE SPORTS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

#### **Streamlined Energy and Carbon Report (SECR)**

The club have continued to make progress in terms of reducing its carbon footprint. A programme of replacing older boilers with new, more energy efficient boilers is well underway, and the stadium floodlights were replaced in May 2022 with new LED lighting. The Club's catering partner Levy has its own net zero target and is taking steps to reduce its own carbon footprint centred around match days and other events at the stadium.

In April 2022, the Club formally started a tender process to identify an organisation to support the data collection to measure the carbon footprint, which will allow to the Club to identify key areas for reduction and ultimately lead to the development of a full environmental strategy for Aston Villa FC. The process will take approximately 12 weeks, with a view to data collection starting in late 2022.

The Club's energy usage in the year ending 31st May 2022 was 12.3m KWH (2021: 12.2m KWH) and total UK emissions were 2,551 tCO<sub>2</sub>e (2021: 2,653 tCO<sub>2</sub>e). This represents an intensity ratio of 14.3 tCO<sub>2</sub>e per £m turnover (2021: 14.4 tCO<sub>2</sub>e).

Data has been collected from sources including utility providers, fuel usage and mileage records. The emissions disclosures have been prepared in accordance with the provisions of the 'GHG Reporting Protocol - Corporate Standard' and HM Government 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' issued March 2019. The UK Government greenhouse gas reporting conversion factors for 2021/22 were used in preparing this report.

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



**C M C Purslow**  
Director

Date: 27 February 2023

## **NSWE SPORTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022**

The directors present their annual report and the audited consolidated financial statements of NSW Sports Limited (the "Group") and NSW Sports Limited (the "Company") for the year ended 31 May 2022.

#### **Principal activities**

The principal activities of the Group are enclosed within the Group Strategic Report.

#### **Results and dividends**

The profit for the financial year amounted to £0.3 (2021: loss £37.0m).

The directors do not recommend payment of a final dividend (2021: £Nil).

#### **Directors**

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

W R Edens  
C M C Purslow  
N Sawiris

#### **Directors' and officers' insurance**

Throughout the year and up to the date of signing of the financial statements, the Company maintains cover under a qualifying third-party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers.

#### **Future developments**

The Club's prime goal is consolidating its position as a member of the FA Premier League.

#### **Research and development activities**

The club's key supporting departments seek to drive player performance improvements through R&D in the field of physiological science and sports science. AVFC Management invest in these activities with the vision that it will deliver competitive advantage and sustained club success.



## **NSWE SPORTS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

#### **Going concern**

The directors have formed a judgement that the Company has adequate resources available to continue operating and to discharge all financial obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements.

The Group made a profit for the financial year but had net current liabilities of £111.9m.

The directors have prepared detailed cashflow forecasts to assess potential funding requirements to the end of the 2023/24 season. The forecasts model the continued availability of the banking overdraft facility provided to the Club by Barclays Bank Plc. The directors have made enquiries of Barclays Bank Plc over the continued provision of this facility for the going concern assessment period and received confirmation that there were no concerns in relation to it continuing to be made available.

The modelling also includes equity funding of £98.5m received from V Sports S.C.S since the 31st May 2022 Balance Sheet date.

The directors are confident in their assumption that cash flow forecasts for 2022/23 should be based upon participation in the Premier League. However, forecasts have been prepared on both a base case and a severe but plausible downside scenario (modelling the impact of a 17th place finishing position) to assess the cashflow requirements to the end of the 2023/24 season.

Based upon current expectations in both the base case and severe but plausible downside scenarios, and with the continued support of the Club's ultimate parent company, V Sports S.C.S, the Group are forecast to have sufficient resources to meet their liabilities to a period not shorter than the end of the 2023/24 season.

A facility has been entered into with V Sports S.C.S which enables the Club to meet its cashflow obligations that are forecast to result from a further season of Premier League participation in this period.

Additionally, the directors would not commit to any further spend above the current forecasted levels, particularly in relation to the acquisition of players, without first confirming availability of sufficient funding. As such, the directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern.

The directors therefore believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company V Sports S.C.S.

#### **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 (2021: £Nil).

#### **Financial risk management**

The Group's residual financial risks relate to trade receivables and liquidity.

Trade receivables comprise transfer fees receivable and other receivables. The risk associated with transfer fees receivable is in part transferred to the Premier League via the Football League's registration clearing system. The Group maintains rigorous credit control procedures to mitigate credit risk associated with other trade receivables.

#### *Liquidity risks*

The Group regularly prepares and reviews detailed cash flow forecasts, monitoring potential sensitivities including plausible downsides in order to manage its liquidity risk.

## **NSWE SPORTS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

#### **Employees**

The Company continues its policy of keeping its employees informed on a regular basis of matters concerning them as employees and on financial and economic factors affecting the performance of the Company.

#### **Disabled persons**

The Company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities.

Any employee who becomes disabled is encouraged to remain in the Company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available and any necessary training is arranged.

Disabled employees are treated equally with all employees in respect of their eligibility for training, career development and promotion.

#### **Post balance sheet events**

Since the Balance Sheet date various players have been bought and sold.

Steven Gerrard left his position as manager of the club on 20 October 2022. Unai Emery was appointed as manager on 24 October 2022.

The net income of these transfers, taking into account the applicable levies and sell on clauses, is £47.9m (2021: £102.9m). The net cost of these transfers and staff changes, taking into account the applicable levies, is £63.4m (2021: £141.2m). These transfers will be accounted for in the year ending 31 May 2023.

## **NSWE SPORTS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

#### **Statement of directors' responsibilities in respect of the financial statements**

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 Group and the Company 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, 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 Group and Company and of the profit or loss of the Group 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 Group and Company will continue in business.

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

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

#### **Directors' confirmations**

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 Group's and 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 Group's and Company's auditors are aware of that information.

#### **Independent auditors**

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

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



**C M C Purslow**  
Director

Date: 27 February 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSWE SPORTS LIMITED**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, NSW Sports Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 May 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Balance Sheet as at 31 May 2022; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

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

*Independence*

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

**Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Reporting on other information**

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSWE SPORTS LIMITED (CONTINUED)**

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

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

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

*Auditors' responsibilities for the audit of the financial statements*

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Profit and Sustainability Rules (PSR) by the FA Premier League and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to journal entries to improve the reported financial position or performance of the business and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and the in house legal team in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries through a risk based approach, in particular any journal entries posted with unusual account combinations or posted by unexpected users;
- Reviewing accounting estimates for evidence of bias and validating the support behind these estimates which has been provided by management;
- Reviewing financial statement disclosures and testing to appropriate supporting documentation to assess compliance with accounting standards and applicable laws and regulations; and
- Incorporating elements of unpredictability into the nature, timing and extent of testing.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSWE SPORTS LIMITED (CONTINUED)**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

*Use of this report*

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

**Other required reporting**

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



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

27 February 2023

**NSWE SPORTS LIMITED**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MAY 2022**

		Operations excluding player trading 2022 £000	Player transactions 2022 £000	Total 2022 £000	Operations excluding player trading 2021 £000	Player transactions 2021 £000	Total 2021 £000
	Note						
Turnover	4	169,123	9,276	178,399	182,382	1,250	183,632
Administrative expenses		(182,334)	-	(182,334)	(169,284)	-	(169,284)
Exceptional administrative expenses	6	(10,000)	-	(10,000)	-	-	-
Other operating income	5	250	-	250	2,500	-	2,500
<b>Operating (loss)/profit before player trading</b>	7	<b>(22,961)</b>	<b>9,276</b>	<b>(13,685)</b>	<b>15,598</b>	<b>1,250</b>	<b>16,848</b>
Amortisation of players' registrations	7	-	(82,535)	(82,535)	-	(56,125)	(56,125)
Profit on disposal of players' registrations	7	-	97,445	97,445	-	1,237	1,237
<b>Total operating (loss)/profit</b>	7	<b>(22,961)</b>	<b>24,186</b>	<b>1,225</b>	<b>15,598</b>	<b>(53,638)</b>	<b>(38,040)</b>
Interest receivable and similar income	11	794	-	794	794	-	794
Interest payable and similar expenses	12	(1,598)	-	(1,598)	(72)	-	(72)
<b>(Loss)/profit before taxation</b>		<b>(23,765)</b>	<b>24,186</b>	<b>421</b>	<b>16,320</b>	<b>(53,638)</b>	<b>(37,318)</b>
Tax on (loss)/profit	13	(85)	-	(85)	343	-	343
<b>(Loss)/profit for the financial year</b>		<b>(23,850)</b>	<b>24,186</b>	<b>336</b>	<b>16,663</b>	<b>(53,638)</b>	<b>(36,975)</b>

All operations are continuing and profits are attributable to owner of parent company.

Player transactions includes fees received for players out on loan, as well as amortisation, impairment and profit on disposal of players' registrations.

The notes on pages 20 to 39 form part of these financial statements.

**NSWE SPORTS LIMITED**  
**REGISTERED NUMBER: 05891280**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MAY 2022**

	<b>Note</b>	<b>2022 £000</b>	<b>2021 £000</b>
<b>Fixed assets</b>			
Intangible assets	14	287,502	172,115
Tangible assets	15	45,226	41,657
		<u>332,728</u>	<u>213,772</u>
<b>Current assets</b>			
Debtors	17	88,312	76,707
Cash at bank and in hand	18	2,207	20,119
		<u>90,519</u>	<u>96,826</u>
Creditors: amounts falling due within one year	19	(202,455)	(141,366)
<b>Net current liabilities</b>		<u>(111,936)</u>	<u>(44,540)</u>
<b>Total assets less current liabilities</b>		<u>220,792</u>	<u>169,232</u>
Creditors: amounts falling due after more than one year	20	(77,381)	(26,157)
<b>Net assets</b>		<u>143,411</u>	<u>143,075</u>
<b>Capital and reserves</b>			
Called up share capital	23	325,688	325,688
Capital contribution reserve	24	398,589	398,589
Profit and loss account	24	(580,866)	(581,202)
<b>Total shareholders' funds</b>		<u>143,411</u>	<u>143,075</u>

The financial statements on pages 13 to 39 were approved by the Board of Directors on 27 February 2023 and signed on its behalf by:



**C M C Purslow**  
Director

The notes on pages 20 to 39 form part of these financial statements.



**NSWE SPORTS LIMITED**  
**REGISTERED NUMBER: 05891280**

**COMPANY BALANCE SHEET**  
**AS AT 31 MAY 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Investments	16	6,078	6,078
<b>Current assets</b>			
Debtors	17	378,049	378,049
<b>Net current assets</b>		<u>378,049</u>	<u>378,049</u>
<b>Total assets less current liabilities and net assets</b>		<u>384,127</u>	<u>384,127</u>
<b>Capital and reserves</b>			
Called up share capital	23	325,688	325,688
Capital contribution reserve	24	398,589	398,589
Profit and loss account brought forward		(340,150)	(340,150)
Result for the financial year		-	-
Profit and loss account carried forward		<u>(340,150)</u>	<u>(340,150)</u>
<b>Total shareholders' funds</b>		<u>384,127</u>	<u>384,127</u>

The financial statements on pages 13 to 39 were approved by the Board of Directors on 27 February 2023 and signed on its behalf by:



**C M C Purslow**  
Director

The notes on pages 20 to 39 form part of these financial statements.

**NSWE SPORTS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2022**

	<b>Called up share capital £000</b>	<b>Capital contribution reserve £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholders' funds £000</b>
<b>At 1 June 2020</b>	<b>325,688</b>	<b>301,589</b>	<b>(544,227)</b>	<b>83,050</b>
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(36,975)	(36,975)
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>(36,975)</b>	<b>(36,975)</b>
<b>Contributions by and distributions to owners</b>				
Capital contribution received in year	-	97,000	-	97,000
<b>Total transactions with owners</b>	<b>-</b>	<b>97,000</b>	<b>-</b>	<b>97,000</b>
<b>At 31 May 2021 and 1 June 2021</b>	<b>325,688</b>	<b>398,589</b>	<b>(581,202)</b>	<b>143,075</b>
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	336	336
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>336</b>
<b>At 31 May 2022</b>	<b>325,688</b>	<b>398,589</b>	<b>(580,866)</b>	<b>143,411</b>

The notes on pages 20 to 39 form part of these financial statements.

**NSWE SPORTS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total shareholders' funds £000
<b>At 1 June 2020</b>	<b>325,688</b>	<b>301,589</b>	<b>(340,150)</b>	<b>287,127</b>
<b>Comprehensive income for the financial year</b>				
Result for the financial year	-	-	-	-
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contributions by and distributions to owners</b>				
Capital contribution received in year	-	97,000	-	97,000
<b>Total transactions with owners</b>	<b>-</b>	<b>97,000</b>	<b>-</b>	<b>97,000</b>
<b>At 31 May 2021 and 1 June 2021</b>	<b>325,688</b>	<b>398,589</b>	<b>(340,150)</b>	<b>384,127</b>
<b>Comprehensive income for the financial year</b>				
Result for the financial year	-	-	-	-
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 May 2022</b>	<b>325,688</b>	<b>398,589</b>	<b>(340,150)</b>	<b>384,127</b>

The notes on pages 20 to 39 form part of these financial statements.

**NSWE SPORTS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MAY 2022**

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	<b>336</b>	<b>(36,975)</b>
<b>Adjustments for:</b>		
Profit on disposal of players' registrations	<b>(97,445)</b>	<b>(1,237)</b>
Profit on disposal of tangible assets	<b>(13)</b>	<b>(8)</b>
Interest receivable and similar income	<b>(794)</b>	<b>(794)</b>
Interest payable and similar expenses	<b>1,598</b>	<b>72</b>
Amortisation of intangible assets	<b>82,535</b>	<b>56,125</b>
Depreciation of tangible assets	<b>3,481</b>	<b>2,783</b>
Taxation charge/(credit)	<b>85</b>	<b>(343)</b>
Increase in debtors	<b>(12,209)</b>	<b>(1,466)</b>
Increase/(decrease) in creditors	<b>10,400</b>	<b>(18,876)</b>
R&D tax credit	<b>(84)</b>	<b>-</b>
<b>Net cash used in operating activities</b>	<b>(12,110)</b>	<b>(719)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	<b>(119,192)</b>	<b>(89,861)</b>
Sale of intangible assets	<b>103,645</b>	<b>4,090</b>
Purchase of tangible assets	<b>(7,093)</b>	<b>(4,168)</b>
Sale of tangible assets	<b>58</b>	<b>31</b>
Interest received	<b>794</b>	<b>794</b>
<b>Net cash used in investing activities</b>	<b>(21,788)</b>	<b>(89,114)</b>
<b>Cash flows from financing activities</b>		
Interest paid	<b>(1,598)</b>	<b>(72)</b>
Capital contribution	<b>-</b>	<b>97,000</b>
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,598)</b>	<b>96,928</b>

**NSWE SPORTS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2022**

	2022 £000	2021 £000
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(35,496)</b>	<b>7,095</b>
Cash and cash equivalents at beginning of the financial year	20,119	13,024
<b>Cash and cash equivalents at the end of the financial year</b>	<b>(15,377)</b>	<b>20,119</b>
<b>Cash and cash equivalents at the end of the financial year comprise:</b>		
Cash at bank and in hand	2,207	20,119
Bank overdrafts	(17,584)	-
	<b>(15,377)</b>	<b>20,119</b>

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MAY 2022**

	At 1 June 2021 £000	Cash flows £000	At 31 May 2022 £000
Cash at bank and in hand	20,119	(17,912)	2,207
Bank overdrafts	-	(17,584)	(17,584)
Loans receivable	61,500	-	61,500
	<b>81,619</b>	<b>(35,496)</b>	<b>46,123</b>

The notes on pages 20 to 39 form part of these financial statements.

## **NSWE SPORTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022**

#### **1. General information**

NSWE Sports Limited (the "Company") principal activity continues to be that of a holding company. The principal activity of the Group is the operation of a professional football club.

The Company is a private company limited by shares and is incorporated and registered in England, UK. The address of its registered office is Villa Park, Birmingham, West Midlands, B6 6HE.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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

##### **2.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries, see note 16) made up to 31 May each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated on consolidation. Uniform accounting policies have been applied across the Group. The profit for the financial year dealt with in the financial statements of the parent Company was £Nil (2021: £Nil). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent Company.

The bringing together of the Company's subsidiary undertakings has been accounted for using merger accounting principles set out in the Companies Act 2006 as applicable to group reconstructions. As such, these consolidated financial statements include the financial information in full of NSWE Sports Limited (for the year ending 31 May 2022) as required by Schedule 6 to SI 2008/410.

## **NSWE SPORTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022**

#### **2. Accounting policies (continued)**

##### **2.3 Going concern**

The directors have formed a judgement that the Company has adequate resources available to continue operating and to discharge all financial obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements.

The Group made a profit for the financial year and had net current liabilities of £111.9m.

The directors have prepared detailed cashflow forecasts to assess potential funding requirements to the end of the 2023/24 season. The forecasts model the continued availability of the banking overdraft facility provided to the Club by Barclays Bank Plc. The directors have made enquiries of Barclays Bank Plc over the continued provision of this facility for the going concern assessment period and received confirmation that there were no concerns in relation to it continuing to be made available.

The modelling also includes equity funding of £98.5m received from V Sports S.C.S since the 31st May 2022 Balance Sheet date.

The directors are confident in their assumption that cash flow forecasts for 2022/23 should be based upon participation in the Premier League. However, forecasts have been prepared on both a base case and a severe but plausible downside scenario (modelling the impact of a 17th place finishing position) to assess the cashflow requirements to the end of the 2023/24 season.

Based upon current expectations in both the base case and severe but plausible downside scenarios, and with the continued support of the Club's ultimate parent company, V Sports S.C.S, the Group are forecast to have sufficient resources to meet their liabilities to a period not shorter than the end of the 2023/24 season.

A facility has been entered into with V Sports S.C.S which enables the Club to meet its cashflow obligations that are forecast to result from a further season of Premier League participation in this period.

Additionally, the directors would not commit to any further spend above the current forecasted levels, particularly in relation to the acquisition of players, without first confirming availability of sufficient funding. As such, the directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern.

The directors therefore believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company V Sports S.C.S.

##### **2.4 Subsidiary company audit exemption**

For the year ending 31 May 2021, Aston Villa Women's Football Club Limited (Registered number: 08414046) and 1874 Developments Limited (Registered number: 10484901) were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities held at the Balance Sheet date are revalued using the rate at that date.

**2.6 Disclosure of Non-GAAP measure**

The directors consider the use of operating loss before player trading to be necessary for the understanding of the underlying performance of the business due to the significant impact and volatility of player trading and exceptional items on the business.

**2.7 Turnover**

Turnover represents amounts receivable for goods and services, excluding transfer fees receivable in respect of the disposal of players' registrations, in the normal course of the Group's business. It is stated net of discounts and value added tax. Turnover in regard to player transactions relate to fees receivable for the loans of players' registrations.

Gate receipts turnover is recognised over the period of the English football season, usually 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. Broadcasting facility fees are accounted for when earned.

Sponsorship turnover, including royalties are recognised over the duration of their respective contracts.

Merchandising, travel and catering turnover, included within Commercial turnover, are recognised on an earned basis. Executive box rentals are recognised over the duration of their contracts.

**2.8 Leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

**2.9 Interest income**

Interest income is recognised in profit or loss using the effective interest method.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**2. Accounting policies (continued)**

**2.10 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 26.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.12 Current and deferred taxation**

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

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

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

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

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

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

Deferred tax is measured on an undiscounted basis.

**2.13 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**2. Accounting policies (continued)**

**2.14 Intangible assets - players' registrations**

The costs associated with the acquisition of players' registrations are capitalised as an intangible asset at the date of acquisition and are amortised over the period of the respective player's contract, including extensions thereto.

Liability in respect of contingent appearance fees is recognised where the directors consider the likelihood of a player meeting future appearance criteria, laid down in the transfer agreement of that player, to be probable.

Internally generated intangible assets are held at £Nil value. Any external costs incurred in extensions to a player's original contract are capitalised and amortised over the period of the player's extended contract.

The profit or loss arising out of the disposal of players' registrations represent the difference between the consideration receivable, net of any transaction costs, and the amortised cost of the intangible asset.

**2.15 Players' signing-on fees and loyalty payments**

Signing-on fees payable to players and loyalty payments, which are payable only if the player is still in employment with the Group, are recognised in staff costs included within administrative expenses as incurred.

**2.16 Tangible assets**

Tangible assets are stated at historical purchase cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs directly attributable with the purchase of the asset.

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:

Freehold land	- Nil
Freehold buildings	- 2 - 8%
Short leasehold property	- 10%
Plant and equipment	- 10 - 33%

**2.17 Impairment of tangible and intangible assets**

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

**2.18 Investments**

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

## **NSWE SPORTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022**

#### **2. Accounting policies (continued)**

##### **2.19 Debtors**

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

##### **2.20 Cash at bank and in hand**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### **2.21 Creditors**

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

##### **2.22 Financial instruments**

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

###### **Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in the profit or loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**2. Accounting policies (continued)**

**Financial instruments (continued)**

**Financial liabilities**

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**2.23 Share capital and distributions to equity holders**

Ordinary shares are classified as equity. Dividends and other distributions to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividend and other distributions are approved by the shareholders.

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

The Group 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. The directors consider there are no critical accounting judgements made in applying the Group's accounting policies.

**a) Intangible fixed assets - players' registrations**

The costs associated with the acquisition of players' registrations are capitalised as an intangible fixed asset at the date of acquisition and are amortised over the period of the respective player's contract, including extensions thereto.

Liability in respect of contingent appearance fees is recognised Where the directors consider the likelihood of a player meeting future appearance criteria, laid down in the transfer agreement of that player, to be probable.

The assessment of when contingent fees become probable is an estimate that may give rise to a material change in the value of capitalised player registrations.

Contingent liabilities are detailed in note 25.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**3. Judgements in applying accounting policies (continued)**

**b) Impairment of tangible and intangible fixed assets**

At each Balance Sheet date, the Group reviews the carrying amounts of its tangible and intangible fixed assets as included in cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indicator 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. The identification of impairment triggers and subsequent impairment testing could result in a material change in the valuation of player registration intangible assets.

The unamortised balance of existing registrations as of 31 May 2022 was £287.5m (2021: £172.1m), of which £98.2m (2021: £80.1m) is expected to be amortised in the year ended 31 May 2023. The remaining balance is expected to be amortised over the four years to 31 May 2025.

**c) Impairment of debtors**

The Group will perform an impairment review on debtors if there is an impairment indicator that the carrying value of debtors recognised may not be recoverable. If such circumstances were to arise, management would assess a number of factors in estimating the recoverable amount and determining the extent of the impairment loss. See note 17 for the net carrying amount of debtors.

**4. Turnover**

The Group's turnover is analysed into its four main components as follows:

	<b>2022</b>	2021
	<b>£000</b>	£000
Gate receipts	<b>16,063</b>	311
Broadcasting	<b>123,211</b>	157,143
Sponsorship	<b>12,703</b>	14,333
Commercial	<b>26,422</b>	11,845
	<b>178,399</b>	183,632

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, fees received for the loan of players' registrations (included within player transactions) and all other revenue sources.

The Group has one main business segment, that of professional football operations, and one main geographical segment, which is the United Kingdom, therefore no further segmental information is provided.

# NSWE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 5. Other operating income

	2022 £000	2021 £000
Insurance claims receivable	250	2,500

### 6. Exceptional administrative expenses

	2022 £000	2021 £000
Exceptional items - impairment of amounts due to the Company relating to liabilities arising on retention of premier league status	10,000	-

In accordance with the provisions of the purchase agreement dated 18 May 2016 between Recon Group Limited (Hong Kong) (Buyer), Alfred Lerner Declaration of Trust, Randolph D Lerner (together the Sellers) and Zhejiang Ruikang Investment Co. Limited and Jian Tong Xia (together the Guarantors), the Club entered into an assignment letter, which provided that if Recon Group Limited (Hong Kong) and the Guarantors failed to pay a £10m bonus due to the Sellers on retention of premier league status for three consecutive seasons, then the Club would be liable for the bonus payment.

Following the end of the 2021/2022 season, the Club received a default notice from the sellers dated 10 June 2022.

As a result, a £10m liability is recognised within these financial statements. This liability was settled through payment on 15 July 2022.

### 7. Operating (loss)/profit

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

	2022 £000	2021 £000
Depreciation of tangible assets	3,481	2,783
Amortisation of players' registrations	82,535	56,125
Profit on disposal of fixed assets	(13)	(8)
Profit on disposal of players' registrations	(97,445)	(1,237)
Community development expenditure	3,400	3,346
Youth development expenditure	13,960	10,828
Lease expense	2,600	2,600

Total operating expenses for the year ending 31 May 2022 were £274.9m (2021 £225.4m).

# NSWE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 8. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	74	68
<b>Fees payable to the Group's auditors in respect of:</b>		
Audit-related assurance services	19	16
Accounts preparation services	10	10
Tax compliance services	30	36
	59	62

Audit fees includes Company audit fees of £5,625 (2021: £4,750).

The audit fee for the Company was borne by another group company in both financial years.

### 9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000
Wages and salaries	119,037	121,936
Social security costs	17,369	15,302
Other pension costs (note 26)	638	561
	137,044	137,799

The average monthly number of employees, including the directors, that were employed by the Group during the year was as follows:

	2022 Number	2021 Number
Players, football management and coaches	231	208
Commercial, merchandising and operations and foundation	191	192
Maintenance and administration	83	62
Part-time employees on match days and other events	437	468
	942	930

The Company does not have any employees (2021: none).

**NSWE SPORTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022****10. Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Directors' aggregate remuneration	<b>1,075</b>	<b>1,075</b>

During the year retirement benefits were accruing to none directors (2021: none) in respect of defined money purchase schemes.

The highest paid director received remuneration of £1.1m (2021: £1.1m).

The director also received a total BIK of £0.02m (2021: £0.02m) during the year.

All of the directors are remunerated in relation to their services to the Group by a subsidiary company and none of the directors received remuneration in relation to their services to the Company.

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

**11. Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interest receivable	<b>794</b>	<b>794</b>

**12. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Bank interest payable	<b>282</b>	<b>-</b>
Other interest payable	<b>1,316</b>	<b>72</b>
	<b>1,598</b>	<b>72</b>



# NSWE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 13. Tax on (loss)/profit

	2022 £000	2021 £000
<b>Corporation tax</b>		
Current tax on (loss)/profit for the financial year	(12)	(343)
Adjustments in respect of prior years	97	-
<b>Total current tax</b>	<b>85</b>	<b>(343)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	97	-
Adjustments in respect of prior years	(97)	-
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Total tax</b>	<b>85</b>	<b>(343)</b>

#### Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £000	2021 £000
Profit/(loss) before taxation	421	(37,318)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	80	(7,090)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,196	249
Income not taxable	(94)	(10)
Movement in unprovided deferred tax	(2,097)	6,508
<b>Total tax charge/(credit) for the financial year</b>	<b>85</b>	<b>(343)</b>

#### Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

**NSWE SPORTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**14. Intangible assets**

**Group**

	<b>Players' registrations £000</b>
<b>Cost</b>	
At 1 June 2021	271,572
Additions	203,522
Disposals	(25,210)
At 31 May 2022	<u>449,884</u>
<b>Accumulated amortisation</b>	
At 1 June 2021	99,457
Charge for the year	82,535
Disposals	(19,610)
At 31 May 2022	<u>162,382</u>
<b>Net book value</b>	
At 31 May 2022	<u><u>287,502</u></u>
At 31 May 2021	<u><u>172,115</u></u>

The Company does not have any intangible fixed assets (2021: £Nil).

**NSWE SPORTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**15. Tangible assets**

**Group**

	<b>Freehold land and buildings £000</b>	<b>Leasehold land and buildings £000</b>	<b>Plant and equipment £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 June 2021	90,900	201	37,576	128,677
Additions	-	-	7,093	7,093
Disposals	-	-	(8,861)	(8,861)
At 31 May 2022	90,900	201	35,808	126,909
<b>Accumulated depreciation</b>				
At 1 June 2021	55,491	38	31,491	87,020
Charge for the year	841	2	2,638	3,481
Disposals	-	-	(8,818)	(8,818)
At 31 May 2022	56,332	40	25,311	81,683
<b>Net book value</b>				
At 31 May 2022	34,568	161	10,497	45,226
At 31 May 2021	35,409	163	6,085	41,657

Freehold land and buildings includes freehold land amounting to £5.1m (2021: £5.1m) which has not been depreciated.

# NSWE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 16. Investments

#### Company

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 June 2021	324,157
At 31 May 2022	324,157
<b>Accumulated impairment</b>	
At 1 June 2021	318,079
At 31 May 2022	318,079
<b>Net book value</b>	
At 31 May 2022	6,078
At 31 May 2021	6,078

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Aston Villa Limited	Villa Park, Birmingham, B6 6HE	Holding company	Ordinary	100%
Aston Villa Football Club Ltd*	Villa Park, Birmingham, B6 6HE	Commercial operations	Ordinary	100%
Aston Villa FC Limited*	Villa Park, Birmingham, B6 6HE	Professional football club	Ordinary	100%
Aston Villa Women's Football Club Limited*	Villa Park, Birmingham, B6 6HE	Ladies football club	Ordinary	100%
Aston Villa Foundation*	Villa Park, Birmingham, B6 6HE	Community activities	Limited by guarantee	-
Aston Villa Social Ent. CIC*	Villa Park, Birmingham, B6 6HE	Community activities	Ordinary	100%

\* Indirectly held

# NSWE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 16. Investments (continued)

The results of the subsidiary undertakings have been consolidated in the Group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

### 17. Debtors

	<b>Group 2022 £000</b>	<b>Group 2021 £000</b>	<b>Company 2022 £000</b>	<b>Company 2021 £000</b>
Trade debtors	12,827	8,393	-	-
Amounts owed by group undertakings	3,999	3,108	378,049	378,049
Other debtors	66	13	-	-
Other loans receivable	61,500	61,500	-	-
Tax recoverable	429	99	-	-
Prepayments and accrued income	9,491	3,594	-	-
	<b>88,312</b>	<b>76,707</b>	<b>378,049</b>	<b>378,049</b>

Debtors are stated after provisions for impairment of £Nil (2021: £Nil).

Trade debtors and other debtors are measured at amortised cost.

Other loans receivable are unsecured, repayable on demand and bear interest at rates ranging from 0% to 2%.

Amounts owed by group undertakings are unsecured, no interest bearing and repayable on demand.

### 18. Cash at bank and in hand

	<b>Group 2022 £000</b>	<b>Group 2021 £000</b>
Cash at bank and in hand	2,207	20,119
Less: bank overdrafts	(17,584)	-

## NSWE SPORTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

#### 19. Creditors: amounts falling due within one year

	<b>Group 2022 £000</b>	<b>Group 2021 £000</b>
Bank loans and overdrafts	17,584	-
Trade creditors	91,250	54,621
Amounts owed to group undertakings	43,164	40,564
Taxation and social security	13,270	14,896
Other creditors	1,313	1,859
Accruals and deferred income	35,874	29,426
	<b>202,455</b>	<b>141,366</b>

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

Trade creditors, amounts owed to group undertakings and other creditors are measured at amortised cost.

The overdraft is secured against future Premier League Central Funds, with interest at 2.5% over Bank of England base rate and is repayable on demand.

#### 20. Creditors: amounts falling due after more than one year

	<b>Group 2022 £000</b>	<b>Group 2021 £000</b>
Trade creditors	77,381	26,157

#### 21. Deferred taxation

There is an unprovided deferred tax asset of £133.8m (2021: £136.9m) in respect of tax losses carried forward in the Group, fixed assets and temporary timing differences, and an unprovided deferred tax asset of £4.7m (2021: £4.7m) in the Company. No deferred tax asset will be recognised until the directors assess that these losses can be utilised with reasonable certainty.

# NSWE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 22. Financial instruments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>87,883</u>	<u>76,608</u>	<u>378,049</u>	<u>378,049</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(266,566)</u>	<u>(152,627)</u>	<u>-</u>	<u>-</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, other loans receivable and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to group undertakings, other creditors and accruals.

### 23. Called up share capital

	2022 £000	2021 £000
<b>Allotted, called up and fully paid</b>		
325,687,690 (2021: 325,687,690) Ordinary shares of £1 (2021: £1) each	<u>325,688</u>	<u>325,688</u>

### 24. Reserves

#### Capital contribution reserve

The capital contribution reserve represents contributions received from shareholders that have been recognised directly in equity.

#### Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group.

### 25. Contingent liabilities and commitments

The terms of certain contracts with other football clubs in respect of the acquisition of players' registrations include the payment of additional amounts upon the fulfillment of specific conditions in the future. The maximum unprovided liability which may arise in respect of these players at 31 May 2022 is £59.6m (2021: £51.1m). The nature of these contingent liabilities means that an estimation of timings is not practicable as they relate to the events which have no definitive timing.

## NSWE SPORTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

#### 26. 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 1 September 2020 and allocated £453,794 as the Club's share of the deficit. The deficit is funded by annual contributions. The balance outstanding at the year-end date is included in other creditors. The Club has made contributions of £0.1m in the year (2021: £0.1m). 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 £0.05m (2021: £0.2m).

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £0.6m (2021: £0.6m). At the end of the year contributions of £0.1m (2021: £0.1m) were outstanding.

#### 27. Commitments under operating leases

At 31 May the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2022 £000</b>	<b>Group 2021 £000</b>
Not later than 1 year	<b>2,600</b>	2,600
Later than 1 year and not later than 5 years	<b>5,200</b>	2,600
	<b><u>7,800</u></b>	<b><u>5,200</u></b>

#### 28. Related party transactions

The Company has taken advantage of the exemption under FRS 102 p33.2 from the provisions of not to disclose transactions with other entities that are wholly owned subsidiaries of NSWE UK Limited.

At the year end, the Group had loans receivable of £56,700,000 (2021: £56,700,000) due from NSWE Stadium Ltd and £4.8m (2021: £4.8m) due from 1874 Developments Ltd, both a companies with common ultimate beneficial ownership. The Group paid rent of £2.6m to NSWE Stadium Limited (2021: £2.6m) and received interest from NSWE Stadium Limited of £0.8m (2021: £0.8m).



## **NSWE SPORTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022**

#### **29. Post balance sheet events**

Since the Balance Sheet date various players have been bought and sold.

Steven Gerrard left his position as manager of the club on 20 October 2022. Unai Emery was appointed as manager on 24 October 2022.

The net income of these transfers, taking into account the applicable levies and sell on clauses, is £47.9m (2021: £102.9m). The net cost of these transfers and staff changes, taking into account the applicable levies, is £63.4m (2021: £141.2m). These transfers will be accounted for in the year ending 31 May 2023.

#### **30. Ultimate parent undertaking and controlling party**

At 31 May 2022 the directors consider V Sports S.C.S, registered in Luxembourg to be the Company's controlling party and ultimate parent undertaking.

The immediate parent undertaking is NSWE UK Limited. The largest group to consolidate these financial statements is NSWE UK Limited and the smallest group to consolidate these financial statements is NSWE Sports Limited. Copies of these consolidated financial statements of NSWE UK Limited and NSWE Sports Limited can be obtained from their registered address at Villa Park, Birmingham, West Midlands, B6 6HE.