

Registered number: 05891280

NSWE SPORTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021



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 2021

The directors present the Strategic 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 2021.

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 2020/21 football season saw the Club compete in the Premier League for a second consecutive season for the first time since 2015/16. The Club was focused upon maintaining its Premier League status and continued shareholder investment of £97m (2020: £126.4m) enabled the Club to invest £101.4m (2020: £155.9m) in the acquisition of new players. Capital investment on infrastructure also continued with tangible fixed asset additions in the year of £4.2m (2020: £11.2m).

The football season culminated in a final league place of 11th which meant the club will again compete in the Premier League in the 2021/22 season.

Turnover for the year amounted to £183.6m (2020: £112.6m). The result, before taxation, amounted to a loss before taxation of £37.3m (2020: £99.5m). The loss for the financial year of £37.0m (2020: £99.2m) has been deducted from reserves.

Net assets at the year-end were £143.1m (2020: £83.1m).

The directors have not declared or paid an interim dividend during the year (2020: £Nil). They do not recommend a final dividend (2020: £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 2021/22 season.

NSWE SPORTS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

Impacts of COVID-19

The COVID-19 pandemic has created a worldwide public health crisis and the financial and economic outlook for every business is uncertain. Football clubs are no different and the global outbreak continues to present uncertainties and challenges during the 2021/22 football season. The Club continues to monitor the situation closely and continues to model financial scenarios for how the current season may develop.

The 2020/21 Premier League season took place behind closed doors, interrupting the Club's ability to generate match day income. Fans subsequently returned to stadia for the start of the 2021/22 season.

During the 2021/22 season the club has started to pay rebates to the Premier League in respect of COVID-19 related central broadcasting revenue reductions. These relate to disruption to the 2019/20 season and will be fully repaid by the end of the 2022/23 season.

After analysing historical precedent and pre-COVID forecast expectation the Directors have estimated and summarised the financial impact of the COVID-19 pandemic over the 2 seasons 2019/20 and 2020/21 in the table below.

	2019/20 £000	2020/21 £000	Total £000
Match day revenues net of costs saved by playing games behind closed doors	4,395	17,456	21,851
Premier League central revenue rebates and reductions	6,930	7,754	14,684
Sponsorship revenues reduction		4,680	4,680
Non match day hospitality and events revenue reduction	522	1,199	1,721
Other commercial revenues reduction	20	239	259
Cancellation of England v Romania international match scheduled to be held at Villa Park 7th June 2020		468	468
Cancellation of concert scheduled for 12th June 2020		250	250
Costs of player contract extensions due to delayed season end		146	146
Cost of players loaned in contracts extended due to delayed season end		572	572
Additional operational costs relating to COVID Pandemic		648	648
Pre COVID realisable value estimates for players	7,545	1,400	8,945
Lost opportunity in relation to potential player sales		4,464	4,464
Rights to claims waived by not participating in UK government Furlough scheme		1,599	1,599
Business property rates relief claimed		(1,738)	(1,738)
Business interruption insurance claim received		(2,500)	(2,500)
	19,412	36,637	56,049

The pandemic impacted revenues and profitability in each of the 2019/20 and 2020/21 seasons. Assessing the extent of the COVID-19 related impact can be done accurately when analysing income streams such as central broadcasting revenues whereas the impact on other lost revenues, club operations and in particular player trading is more subjective.

The aggregate transfer expenditure of all clubs in the Premier League and the top leagues in Spain, Germany, Italy and France in the summer 2020 transfer window fell by 40% compared to 2019 and was comparable to a low level not seen since 2016. The 2020 transfer window was characterized by a decreased volume of transfers involving high value transfer fees with an increased volume of smaller and loan transfers.

The Directors believe that the Club was impacted by this COVID-19 related transfer market suppression.

Firstly, the Club either sold or terminated the contracts of 5 players during the Summer 2020 transfer window and estimate sales proceeds generated to be £8.945m less than pre COVID-19 mid-market values. This estimate is supported by the sale of one player who had been loaned out during the 2019/20 season with the loanee club agreeing a pre COVID-19 purchase option price. Post COVID-19 this option price was re-negotiated down by £1.4m.

NSWE SPORTS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

Impacts of COVID-19 (continued)

Secondly, the Club had targeted the disposal of 2 further players during the summer 2020 transfer window both of whom were considered surplus to requirements following new acquisitions. Directors believe that the COVID-19 impact on the transfer market prevented the Club from completing the sale of these players resulting in lost payroll savings, amortisation savings and profit on disposals totalling £4.464m.

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

	2021	2020
League Finishing Position	11th Premier League	17th Premier League
FA Cup Competition	3rd Round	3rd Round
Football League Cup Competition	4th Round	Runners Up
Average League Attendance*	-	41,661
Turnover*	183.6m	112.6m
Total Staff Costs	137.8m	108.8m
Operating Loss	38.0m	100.3m

* For 2019/20 this is the average attendance for games before the postponement of the Premier League season and the commencement of matches being played behind closed doors. No data available for 2019/20 due to all league games being played behind closed doors.

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 are renowned throughout football for their passion and loyalty. We are privileged to have Season Ticket numbers remaining at record levels for a second successive season, with almost another 20,000 other fans on our waiting list. Villa Park consistently sell outs for home games since we returned to The Premier League in 2019/20 season.

The Club has started work on a long-term plan to improve Villa Park which will include increasing capacity and modernising facilities inside and outside the stadium.

While consultation and dialogue with supporters has been more of a challenge during the pandemic, the Club has hosted 5 meetings with our Fans Consultation Group between October 2020 and July 2021 - two of which were attended by CEO Christian Purslow. Our Fans Consultation Group was recently extended to represent more parts of our support and we look to work with the current group to further increase the presence of fans from across the Villa family.

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.

Over the past year, the Club has continued to provide staff with financial security during the pandemic, all employees have been paid in full (including all casual and matchday employees) without the Club participating in the UK government's furlough scheme. We have also continued to protect employees with only essential workers attending Club sites, and all office-based employees working remotely. Following a change in Government guidance, the Club has now commenced a gradual, phased return of staff to the office, with regular review points in place to ensure business continuity and minimal risk to staff health and wellbeing.

NSWE SPORTS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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

The Club is striving to become an employer of choice and is fully committed to making Aston Villa a truly great place to work. Continued recruitment and growth in our staff numbers with a focus on having the right skills and resources within our business over the past year, has contributed to our success both on and off the pitch. Our Employee Consultation Forum (ECF) continues to play a key part in meaningful staff engagement activities. The ECF has seen an increase in staff representative numbers to reflect our continued growth, and regular monthly meetings have enabled consultation on key staff policies and initiatives.

Community

The Club and the Aston Villa Foundation are committed to the organisation being seen as a 'force for good', making a positive contribution to the city of Birmingham and wider Aston Villa family. During the course of the year the Villa Park stadium has been utilised as a vaccination centre by the NHS as well as hosting other valuable NHS services. The industrial kitchens at the stadium have continued to produce thousands of hot meals to be distributed by a network of community partners to homeless individuals and children and families receiving free school meals.

The Aston Villa Foundation has continued to deliver a wide range of projects and activities, initially digitally and remotely in the early part of the year. As government restrictions have lifted the outreach work of the Foundation focused in North Birmingham has exceeded pre-covid levels as the Foundation continues to grow and increase the range of support it offers to vulnerable people of all ages in these most challenging of times.

Commercial Partners

Our partnership programme offers a combination of match-day and non-match-day marketing rights, of which a small amount of these rights were unable to be fulfilled due to the restrictions imposed from the COVID outbreak. As a result, the Club worked hard to offer alternative rights to these partners to create engaging marketing campaigns utilising marketing assets that were still freely available to the Club during the pandemic.

We would like to thank our partners for their continued support and flexibility through this time.

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 and these meetings have been held on a basis more frequent than usually expected as The Premier League and its member clubs have attempted to manage the impact of the COVID-19 pandemic.

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 2021**

Streamlined Energy and Carbon Report (SECR)

The club is imminently launching an environmental initiative 'Claret, Blue and Green', which outlines Aston Villa's commitment to the sustainability agenda and sets our short medium and long-term plans. Over the course of the last year the club has continued to upgrade its Building Maintenance System (BMS) to integrate tracked usage and implement remote heating and lighting at the Bodymoor Heath training ground. The club is reducing electricity through a programme of replacing office and concourse lighting with LEDs and all petrol mowers have now been replaced with electric mowers. There will be a new energy supplier which includes Renewable Energy Guarantee of Origin (REGO) for our electricity supply, which guarantees that the volume of our estimated consumption is matched with energy from a zero carbon renewable wind source.

There has been a significant reduction in the number of paper matchday tickets printed, with most tickets now sent and accessed electronically. Steps are in place to significantly reduce the amount of single-use plastic at the club's training ground and plans are in place to reduce match day food waste going to landfill.

The Club's energy usage in the year ending 31st May 2021 was 12.2m KWH (2020: 11.8 KWH) and total UK emissions were 2,653 tCO₂e (2020: 2,737 tCO₂e restated). This represents an intensity ratio of 14.4 tCO₂e per £m turnover (2020: 24.31 restated).

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 2020/21 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: 23rd FEBRUARY 2022

NSWE SPORTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2021

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 2021.

Principal activities

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

Results and dividends

The loss for the financial year amounted to £37.0m (2020: £99.2m).

The directors do not recommend payment of a final dividend (2020: £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

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 2021

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 loss for the financial year and had net current liabilities of £44.5m.

The directors have prepared detailed cashflow forecasts to assess potential funding requirements to the end of the 2022/23 season. The forecasts model the impact of a new banking overdraft facility provided to the Club by Barclays Bank Plc from August 2021. 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 proceeds from post 31st May 2021 player sales that exceed £100m and include the Club record sale of Jack Grealish to Manchester City.

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 remote downside scenario (modelling the impact of relegation to the Football League Championship) to assess the cashflow requirements to the end of the 2022/23 season.

Based upon current expectations and with the continued support of the Club's ultimate parent company, V Sports S.C.S. (formally known as NSWE SCS), the Group are forecast to have sufficient resources to meet their liabilities to a period not less than the end of the 2022/23 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.

The directors are also confident that there are sufficient options available for the Club to mitigate additional funding requirements in the remote but mathematically possible event of relegation to the Football League Championship at the end of 2021/22 season including the procurement of further support from V Sports S.C.S and the option to generate funds from the sale of players.

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 (2020: £Nil).

NSWE SPORTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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.

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. The net income of these transfers, taking into account the applicable levies and sell on clauses, is £102.9m (2020: £7.4m). The net cost of these transfers, taking into account the applicable levies, is £141.2m (2020: £109.4m). These transfers will be accounted for in the year ending 31 May 2022.

Dean Smith left his position as manager of the Club on 7th November 2021. Steven Gerrard was appointed as manager on 11th November 2021.

NSWE SPORTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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: 23RD FEBRUARY 2022

Independent auditors' report to the members of NSW 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 2021 and of the group's loss 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheet as at 31 May 2021; the Consolidated Statement of Comprehensive Income; the Consolidated Statement of Cash Flows and the Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the 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 on, 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.

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 2021 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 risk surrounding non-compliance with the Profit and Sustainability Rules (PSR) by the FA Premier League, Companies Act 2006 and tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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
- testing significant estimates and judgements within the financial statements, through validating the underlying data and accuracy of the models utilised by management. Audit testing was performed through considering the prior accuracy of similar management estimates and reviewing post year end transactions.
- reviewing the financial statements for disclosures required by accounting standards and the Companies Act
- testing significant / unusual transactions (where material) for appropriate treatment within these financial statements
- performing unpredictable audit procedures which vary from year to year

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. 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

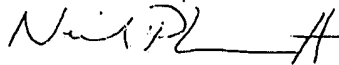
Other required reporting

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

23 February 2022

NSWE SPORTS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2021**

		Operations excluding player trading 2021 £000	Player transactions 2021 £000	Total 2021 £000	Operations excluding player trading 2020 £000	Player transactions 2020 £000	Total 2020 £000
	Note						
Turnover	4	182,382	1,250	183,632	110,307	2,289	112,596
Administrative expenses		(169,292)	-	(169,292)	(145,084)	-	(145,084)
Other operating income	5	2,500	-	2,500	3,186	-	3,186
Profit/(loss) on disposal of tangible assets	6	8	-	8	(6)	-	(6)
Operating profit/(loss) before player trading	6	15,598	1,250	16,848	(31,597)	2,289	(29,308)
Amortisation of players' registrations	6	-	(56,125)	(56,125)	-	(70,599)	(70,599)
Profit/(loss) on disposal of players' registrations	6	-	1,237	1,237	-	(393)	(393)
Total operating loss	6	15,598	(53,638)	(38,040)	(31,597)	(68,703)	(100,300)
Interest receivable and similar income	10	794	-	794	879	-	879
Interest payable and similar expenses	11	(72)	-	(72)	(31)	-	(31)
Loss before taxation		16,320	(53,638)	(37,318)	(30,749)	(68,703)	(99,452)
Tax on loss	12	343	-	343	282	-	282
Loss for the financial year		16,663	(53,638)	(36,975)	(30,467)	(68,703)	(99,170)

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 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED
REGISTERED NUMBER: 05891280

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	172,115	134,229
Tangible assets	14	41,657	40,297
		<u>213,772</u>	<u>174,526</u>
Current assets			
Debtors	16	76,707	74,205
Cash at bank and in hand	17	20,119	13,024
		<u>96,826</u>	<u>87,229</u>
Creditors: amounts falling due within one year	18	(141,366)	(155,230)
Net current liabilities		<u>(44,540)</u>	<u>(68,001)</u>
Total assets less current liabilities		<u>169,232</u>	<u>106,525</u>
Creditors: amounts falling due after more than one year	19	(26,157)	(23,475)
Net assets		<u><u>143,075</u></u>	<u><u>83,050</u></u>
Capital and reserves			
Called up share capital	22	325,688	325,688
Capital contribution reserve	23	398,589	301,589
Profit and loss account	23	(581,202)	(544,227)
Total shareholders' funds		<u><u>143,075</u></u>	<u><u>83,050</u></u>

The financial statements on pages 14 to 40 were approved by the Board of Directors on 23RD FEBRUARY 2022 and signed on its behalf by:


C M C Purslow
 Director


The notes on pages 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED
REGISTERED NUMBER: 05891280

COMPANY BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	15	6,078	6,078
Current assets			
Debtors	16	378,049	281,049
		<u>378,049</u>	<u>281,049</u>
Total assets less current liabilities		<u>384,127</u>	<u>287,127</u>
Capital and reserves			
Called up share capital	22	325,688	325,688
Capital contribution reserve	23	398,589	301,589
Profit and loss account brought forward		(340,150)	(340,150)
Result for the financial year		-	-
Profit and loss account carried forward	23	<u>(340,150)</u>	<u>(340,150)</u>
Total shareholders' funds		<u>384,127</u>	<u>287,127</u>

The financial statements on pages 14 to 40 were approved by the Board of Directors on 23rd FEBRUARY 2022 and signed on its behalf by:


C M C Purslow
 Director

The notes on pages 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 June 2019	325,688	175,179	(445,057)	55,810
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(99,170)	(99,170)
Total comprehensive expense for the financial year	-	-	(99,170)	(99,170)
Contributions by and distributions to owners				
Capital contribution received in year	-	126,410	-	126,410
Total transactions with owners	-	126,410	-	126,410
At 31 May 2020 and 1 June 2020	325,688	301,589	(544,227)	83,050
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(36,975)	(36,975)
Total comprehensive expense for the financial year	-	-	(36,975)	(36,975)
Contributions by and distributions to owners				
Capital contribution received in year	-	97,000	-	97,000
Total transactions with owners	-	97,000	-	97,000
At 31 May 2021	325,688	398,589	(581,202)	143,075

The notes on pages 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 June 2019	325,688	175,179	(340,150)	160,717
Comprehensive income for the financial year				
Result for the financial year	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-
Contributions by and distributions to owners				
Capital contribution received in year	-	126,410	-	126,410
Total transactions with owners	-	126,410	-	126,410
At 31 May 2020 and 1 June 2020	325,688	301,589	(340,150)	287,127
Comprehensive income for the financial year				
Result for the financial year	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-
Contributions by and distributions to owners				
Capital contribution received in year	-	97,000	-	97,000
Total transactions with owners	-	97,000	-	97,000
At 31 May 2021	325,688	398,589	(340,150)	384,127

The notes on pages 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year	(36,975)	(99,170)
Adjustments for:		
(Profit)/loss on disposal of players' registrations	(1,237)	393
(Profit)/loss on disposal of tangible assets	(8)	6
Interest receivable and similar income	(794)	(879)
Interest payable and similar expenses	72	31
Amortisation of players' registrations	56,125	70,599
Depreciation of tangible assets	2,783	2,424
Taxation credit	(343)	(282)
(Increase)/decrease in debtors	(1,466)	7,814
(Decrease)/increase in creditors	(18,876)	2,471
R&D tax credit	-	(305)
Net cash used in operating activities	<u>(719)</u>	<u>(16,898)</u>
Cash flows from investing activities		
Purchase of intangible assets	(89,861)	(118,132)
Sale of intangible assets	4,090	10,120
Purchase of tangible assets	(4,168)	(11,254)
Sale of tangible assets	31	30
Interest received	794	879
Net cash used in investing activities	<u>(89,114)</u>	<u>(118,357)</u>
Cash flows from financing activities		
Interest paid	(72)	(31)
Capital contribution	97,000	126,410
Net cash generated from financing activities	<u>96,928</u>	<u>126,379</u>
Net increase/(decrease) in cash and cash equivalents	<u>7,095</u>	<u>(8,876)</u>
Cash and cash equivalents at the beginning of the financial year	13,024	21,900
Cash and cash equivalents at the end of the financial year	<u><u>20,119</u></u>	<u><u>13,024</u></u>
Cash and cash equivalents at the end of the financial year comprise:		
Cash at bank and in hand	<u><u>20,119</u></u>	<u><u>13,024</u></u>

The notes on pages 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2021**

	At 1 June 2020 £000	Cash flows £000	At 31 May 2021 £000
Cash at bank and in hand	13,024	7,095	20,119

The notes on pages 21 to 40 form part of these financial statements.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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 domiciled in the 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 15) 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 loss for the financial year dealt with in the financial statements of the parent Company was £Nil (2020: £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 2021) as required by Schedule 6 to SI 2008/410.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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 loss for the financial year and had net current liabilities of £44.5m.

The directors have prepared detailed cashflow forecasts to assess potential funding requirements to the end of the 2022/23 season. The forecasts model the impact of a new banking overdraft facility provided to the Club by Barclays Bank Plc from August 2021. 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 proceeds from post 31st May 2021 player sales that exceed £100m and include the Club record sale of Jack Grealish to Manchester City.

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 remote downside scenario (modelling the impact of relegation to the Football League Championship) to assess the cashflow requirements to the end of the 2022/23 season.

Based upon current expectations and with the continued support of the Club's ultimate parent company, V Sports S.C.S. (formally known as NSWE SCS), the Group are forecast to have sufficient resources to meet their liabilities to a period not less than the end of the 2022/23 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.

The directors are also confident that there are sufficient options available for the Club to mitigate additional funding requirements in the remote but mathematically possible event of relegation to the Football League Championship at the end of 2021/22 season including the procurement of further support from V Sports S.C.S and the option to generate funds from the sale of players.

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.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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.

UEFA solidarity and prize money are distributions received from UEFA, European football's governing body. These amounts are recognised on an earned basis.

2.8 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.

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.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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 25.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 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%

2.16 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.

2.17 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 2021

2. Accounting policies (continued)

2.18 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.

2.19 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.

2.20 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.

2.21 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.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (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.

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 24.

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 2021 was £172.1 million, of which £80.1 million is expected to be amortised in the year ended 31 May 2022. The remaining balance is expected to be amortised over the four years to 31 May 2025.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

4. Turnover

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

	2021 £000	2020 £000
Gate receipts	311	11,110
Broadcasting	157,143	77,728
Sponsorship	14,333	10,401
Commercial	11,845	13,357
	<u>183,632</u>	<u>112,596</u>

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 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.

5. Other operating income

	2021 £000	2020 £000
Income from compensation deed relating to freehold land	-	2,881
RDEC credit	-	305
Insurance claims receivable	2,500	-
	<u>2,500</u>	<u>3,186</u>

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

6. Operating loss

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

	2021 £000	2020 £000
Depreciation of tangible assets	2,783	2,424
Amortisation of players' registrations	56,125	70,599
(Profit)/loss on disposal of tangible assets	(8)	6
(Profit)/loss on disposal of players' registrations	(1,237)	393
Community development expenditure	3,346	3,345
Youth development expenditure	10,828	8,956

Total operating expenses for the year ending 31 May 2021 were £225.4m (year ending 31 May 2020 £215.7m).

7. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	68	68
Fees payable to the Group's auditors in respect of:		
Audit-related assurance services	16	17
Non-audit services	46	42
	62	59

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

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

8. Employees

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

	Group 2021 £000	Group 2020 £000
Wages and salaries	121,936	95,121
Social security costs	15,302	13,252
Other pension costs (note 25)	561	434
	<u>137,799</u>	<u>108,807</u>

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

	2021 Number	2020 Number
Players, football management and coaches	208	184
Commercial, merchandising and operations and foundation	192	168
Maintenance and administration	62	65
Part-time employees on match days and other events	468	484
	<u>930</u>	<u>901</u>

The Company does not have any employees (2020: None).

9. Directors' remuneration

	2021 £000	2020 £000
Directors' aggregate remuneration	<u>1,075</u>	<u>1,536</u>

During the year retirement benefits were accruing to no directors (2020: no) in respect of defined money purchase schemes.

The highest paid director received remuneration of £1,074,717 (2020: £1,536,255).

The director also received a total BIK of £16,020 (2020: £15,589) 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.

NSWE SPORTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****10. Interest receivable and similar income**

	2021	2020
	£000	£000
Interest receivable	794	879

11. Interest payable and similar expenses

	2021	2020
	£000	£000
Other interest payable	72	31

12. Tax on loss

	2021	2020
	£000	£000
Corporation tax		
Current tax on losses for the financial year	(343)	(330)
Adjustments in respect of prior years	-	48
Total current tax	(343)	(282)
Deferred tax		
Origination and reversal of timing differences	-	58
Changes to tax rates	-	(58)
Total deferred tax	-	-
Total tax	(343)	(282)

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

12. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Loss before taxation	(37,318)	(99,452)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(7,090)	(18,896)
Effects of:		
Expenses not deductible for tax purposes	249	191
Adjustments in respect of prior years	-	(9)
Income not taxable	(10)	(593)
Gains/rollover relief	-	547
Movement in unprovided deferred tax	6,508	18,536
RDEC credit	-	(58)
Total tax credit for the financial year	(343)	(282)

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

NSWE SPORTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

13. Intangible assets

Group

	Players' registrations £000
Cost	
At 1 June 2020	230,054
Additions	101,395
Disposals	(59,877)
At 31 May 2021	<u>271,572</u>
Accumulated amortisation	
At 1 June 2020	95,825
Charge for the year	56,125
Disposals	(52,493)
At 31 May 2021	<u>99,457</u>
Net book value	
At 31 May 2021	<u><u>172,115</u></u>
At 31 May 2020	<u><u>134,229</u></u>

The Company does not have any intangible fixed assets (2020: £Nil).

NSWE SPORTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

14. Tangible assets

Group

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and equipment £000	Total £000
Cost				
At 1 June 2020.	87,027	201	37,340	124,568
Additions	3,873	-	293	4,166
Disposals	-	-	(57)	(57)
At 31 May 2021	90,900	201	37,576	128,677
Accumulated depreciation				
At 1 June 2020	54,720	36	29,515	84,271
Charge for the year	771	2	2,010	2,783
Disposals	-	-	(34)	(34)
At 31 May 2021	55,491	38	31,491	87,020
Net book value				
At 31 May 2021	35,409	163	6,085	41,657
At 31 May 2020	32,307	165	7,825	40,297

Freehold land and buildings includes freehold land amounting to £5,142,925 (2020: £5,142,925) which has not been depreciated.

NSWE SPORTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

15. Investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 June 2020	324,157
At 31 May 2021	324,157
Accumulated impairment	
At 1 June 2020	318,079
At 31 May 2021	318,079
Net book value	
At 31 May 2021	6,078
At 31 May 2020	6,078

NSWE SPORTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****15. Investments (continued)****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

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.

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

16. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	8,393	3,126	-	-
Amounts owed by group undertakings	2,522	1,728	378,049	281,049
Other debtors	13	177	-	-
Other loans receivable	61,500	61,500	-	-
Tax recoverable	685	587	-	-
Prepayments and accrued income	3,594	7,087	-	-
	76,707	74,205	378,049	281,049

Debtors are stated after provisions for impairment of £Nil (2020: £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%.

17. Cash at bank and in hand

	Group 2021 £000	Group 2020 £000
Cash at bank and in hand	20,119	13,024

18. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000
Loan notes payable to parent undertakings	-	34,000
Trade creditors	54,621	45,600
Amounts owed to group undertakings	40,564	3,964
Taxation and social security	14,896	18,913
Other creditors	1,859	877
Accruals and deferred income	29,426	51,876
	141,366	155,230

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

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

NSWE SPORTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

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

	Group 2021 £000	Group 2020 £000
Trade creditors	26,157	23,475

20. Deferred taxation

There is an unprovided deferred tax asset of £136.9m (2020: £97.5m) 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 (2020: £3.5m) in the Company. No deferred tax asset will be recognised until the directors assess that these losses can be utilised with reasonable certainty.

21. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	76,022	68,909	378,049	281,049
Financial liabilities				
Financial liabilities measured at amortised cost	(152,627)	(146,044)	-	-

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 trade creditors, amounts owed to group undertakings, other creditors and accruals.

22. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
325,687,690 (2020: 325,687,690) Ordinary shares of £1 (2020: £1) each	325,688	325,688

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

23. 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.

24. 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 fulfilment of specific conditions in the future. The maximum unprovided liability which may arise in respect of these players at 31 May 2021 is £51.1m (2020: £9.2m). 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.

25. Retirement benefit schemes

Certain members of the Group's staff are members of either the Football League Limited Players' Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Company is one of a number of participating employers in the scheme, it is not possible to allocate any actuarial surplus or deficit on an annual basis. However, under Section 75 of the Pensions Act 1995, the Company, as a participating employer in the scheme, is liable to fund the deficit relating to Company's ex-employees who are members of the scheme. The Scheme Actuary finalised a full valuation as at 31 August 2017 and allocated £527,494 as the Club's share of the deficit. The deficit is funded by annual contributions. The balance outstanding at the year-end date is included in other creditors. The Club has made contributions of £102,849 in the year (2020: £97,953). 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 £157,477 (2020: £260,296).

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £560,511 (2020: £433,688). At the end of the year contributions of £93,080 (2020: £124,318) were outstanding.

26. Commitments under operating leases

At 31 May 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	2,600	2,600
Later than 1 year and not later than 5 years	2,600	5,200
	<u>5,200</u>	<u>7,800</u>

NSWE SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

27. 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 (2020: £56,700,000) due from NSWE Stadium Ltd and £4,800,000 (2020: £4,800,000) due from 1874 Developments Ltd, both a companies with common ultimate beneficial ownership. The Group paid rent of £2,600,000 to NSWE Stadium Limited (2020: £2,600,000) and received interest form NSWE Stadium Limited of £793,800 (2020: £793,800).

28. Post balance sheet events

Since the Balance Sheet date various players have been bought and sold. The net income of these transfers, taking into account the applicable levies and sell on clauses, is £102.9m (2020: £7.4m). The net cost of these transfers, taking into account the applicable levies, is £141.2m (2020: £109.4m). These transfers will be accounted for in the year ending 31 May 2022.

Dean Smith left his position as manager of the Club on 7th November 2021. Steven Gerrard was appointed as manager on 11th November 2021.

29. Ultimate parent undertaking and controlling party

At 31 May 2021 the directors consider V Sports S.C.S (formally known as NSWE S.C.S), registered in Luxembourg to be the Company's controlling party.

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 can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.