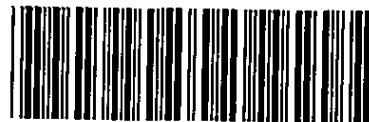


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**NORWICH CITY FOOTBALL
CLUB PLC**

ANNUAL REPORT
FOR THE YEAR ENDED
31 MAY 2012

NORWICH CITY FOOTBALL CLUB PLC

ANNUAL REPORT

For the year ended 31 May 2012

Board of Directors	A J Bowkett (Chairman) M M Foulger (Deputy Chairman) D McNally (Chief Executive) S J Fry S J Phillips Ms D A Smith E M S Wynn Jones
Company Secretary	S Gordon (Director of Finance)
Other Senior Executives	C Hughton (Football Manager) A Blofeld (Club Secretary)
Company Number	154044
Registered Office	Carrow Road Norwich NR1 1JE
Auditor	BDO LLP 55 Baker Street London W1U 7EU

NORWICH CITY FOOTBALL CLUB PLC

ANNUAL REPORT

For the year ended 31 May 2012

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NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

The directors present their report and the consolidated financial statements for the year ended 31 May 2012

Principal activities

The company's principal activity is that of a professional football club. The principal activities of the subsidiary undertakings are shown in note 14

Results and dividends

The profit for the year after taxation amounted to £13,467,000 (2011 losses of £3,941,000)

A dividend on the 'A' preference shares of £508 (2011 £508) and on the 'B' preference shares of £65,000 (2011 £66,000) has been accrued for the year ended 31 May 2012 (note 10)

Key performance indicators

The Club uses a variety of performance measures in order to monitor and manage the business effectively. These are both financial and non-financial measures and include the following key performance indicators (KPIs)

	2012	2011
Average league attendance (number)	26,606	25,603
Season tickets sold (number)	20,630	20,652
Player wage costs as a percentage of turnover (%)	34	47
Cash balance at the year end (£'000)	16,553	4,162
Group operating profit excluding player trading (£'000)	21,770	1,722
External debt (£'000)*	11,309	16,606

*External debt is net debt less cash balances less debt held by or controlled by the Directors

Directors

The directors of the company who served during the year and their beneficial interests in the company's issued share capital were

	Ordinary shares of £1 each		'B' preference shares of £1 each	
	31 May 2012	1 June 2011	31 May 2012	1 June 2011
A J Bowkett	1,117	1,117	-	-
M M Foulger	98,200	98,200	4,400	4,400
D McNally	100	100	-	-
S J Fry	300	300	-	-
S J Phillips	100	100	-	-
Ms D A Smith	100	100	-	-
E M S Wynn Jones	100	100	-	-
Ms D A Smith and E M S Wynn Jones (jointly)	327,309	327,309	3,025	3,025

None of the directors had a beneficial interest in the 'A' preference shares of £1 each

Directors and officers liability insurance

During the year the group maintained liability insurance for its directors and officers, as permitted by Section 233 of the Companies Act 2006

Share capital

During the year 66 (2011 80,415) £1 ordinary shares were issued at a weighted average cost of £55 each (2011 £25) and 2 (2011 2) 'B' £1 preference shares were issued at a weighted average cost of £100 each (2011 £100) (note 21)

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

Business review and future outlook

2011/12 has been another great season for the Club, retaining Premier League status and ending 12th in the League. An operating profit of £18.0 million has been achieved against an operating loss of £4.6 million the previous year. A net cash inflow of £12.4 million has been generated during the year, which is necessary to provide sufficient funds for player trading during the summer of 2012 and to make debt repayments as they fall due during the 2012/13 season.

The Club's future strategy is to become a sustainable Premier League Club while continuing to reduce the level of debt on the balance sheet.

Principal business risks, including financial risk management objectives and policies

In common with other businesses, the group aims to minimise financial risk. The principal business risks are a reduction in attendances in the event that team performances are below supporters' expectations and that the Club has insufficient cash to meet its obligations for the 2012/2013 season and beyond. The directors have implemented a strategy to mitigate the risks. The group annually prepares 18 month rolling budgets and monitors the actual performance against these budgets. In addition the group prepares rolling cashflow forecasts to make sure that cash is managed effectively. As part of the strategy, the Club has implemented a number of initiatives to ensure the group has sufficient cash resources to meet its day to day requirements (see going concern section below).

The financial assets that expose the group to financial risk include cash and trade debtors. Cash is held in bank accounts with the Bank of Scotland. Trade debtors are monitored closely to minimise the risk of bad debts. The directors are of the opinion that the risks associated with the group's financial liabilities are well managed.

A significant proportion of the group's interest commitments are to its bondholder, AXA Investment Managers Limited. The interest rate on the loan notes was fixed in 2003 for the duration of the loan notes thus mitigating any risk associated with Bank of England base rate increases. Interest rate risk associated with all other borrowings is reviewed on a regular basis and, where appropriate, rates are fixed to mitigate the exposure to rate fluctuations.

Going concern

Promotion to the Premier League and subsequent retention of Premier League status has led to an acceleration of repayments to AXA Investment Managers Limited as agreed in the restructure plan, such that the loan notes are now repayable in less than one year.

In assessing the appropriateness of the going concern assumption the directors have prepared detailed cash flow forecast scenarios covering a period to 31 May 2014 and have considered any uncertainties in relation to income and costs along with the requirement to make deferred interest and loan repayments as they fall due in that period.

The scenarios have been prepared on the basis of both continued Premier League status and also Championship status. In the Premier League, a shortfall in funding is forecast to occur for two months in the summer of 2013. Informal discussions with the Club's bank have indicated a willingness to support the Club with an overdraft during this short period. The Board has also considered alternative arrangements. Although the shortfall in funding is larger under the Championship model, it is still a short term issue and the Board is confident that it can be covered by obtaining external funding.

The directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Charitable donations

In the year to 31 May 2012, the Club worked very closely with Official Charity partner Norwich City Community Sports Foundation (CSF) and affected 50,000 individuals through participation in a number of different sporting initiatives in community settings.

Working together with the charity steering group, the Club has helped raise and contribute £34,645 through distribution of signed pennants, ground collections and specific charitable supported events organised through the Club and its official partners. The Club have also donated tickets and provided support and awareness to groups such as forces2canaries and the Royal British Legion whilst also supporting the awareness of many national campaigns such as Sport Relief, Kick It Out, British Heart Foundation and Foodbank to name a few. The Club's professional players have contributed 500 hours in attendance at community led initiatives.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

Payments to suppliers

The group's policy in relation to all its suppliers is to agree the terms of payment when agreeing the transaction and to abide by those terms, provided that it is satisfied that the supplier has provided the goods or service in accordance with the agreed terms and conditions. The group does not follow any code or standard of payment practice. The ratio expressed in days between amounts invoiced to the group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 48 (2011 78) days.

Asset values

Accounting Standards require the Club to value its assets using specific criteria. At the year end there were 18 players (2011 24) for which the cost of their player registration has been capitalised and was still being amortised over the period of the respective players' contract. The combined net book value of these players at 31 May 2012 is £11.3 million (2011 £4.4 million).

The Carrow Road stadium and other land and buildings are currently stated at £29 million, being valued on a historical cost basis or an adopted valuation as detailed in note 13, less accumulated depreciation. In the opinion of the directors, the recoverable amount of the land and buildings at 31 May 2012 would exceed the book value included in the financial statements, but they are unable to quantify this excess in the absence of a full professional valuation.

Post balance sheet events

Details of post balance sheet events are given in note 34 to the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD



S Gordon
Company Secretary
3 September 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORWICH CITY FOOTBALL CLUB PLC

We have audited the financial statements of Norwich City Football Club plc for the year ended 31 May 2012 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the consolidated and parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2012 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

BDO LLP

Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London 5 September 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2012

	Note	Operations excluding player trading £'000	Player trading £'000	2012 Total £'000	2011 Total £'000
Turnover group and share of joint venture	1, 2	74,608	-	74,608	23,328
Less share of joint venture turnover		(306)	-	(306)	(304)
Group turnover		74,302	-	74,302	23,024
Operating expenses	3	(51,383)	(6,298)	(57,681)	(27,354)
Other operating income	4	20	-	20	63
Group operating profit/(loss)		22,939	(6,298)	16,641	(4,267)
Gain on disposal of players' registrations	5	-	646	646	273
Gain on disposal of tangible assets		528	-	528	244
Share of operating profit in joint venture		226	-	226	265
Share of operating profit in associate		4	-	4	15
Unrealised deficit on revaluation of investment property in joint venture		-	-	-	(1,115)
Group operating profit/(loss) including share of associate and joint venture		23,697	(5,652)	18,045	(4,585)
Interest receivable and similar income					
- Group	8			34	104
Interest payable and similar charges	9				
- Group				(1,622)	(2,463)
- Share of joint venture				(123)	(121)
				(1,745)	(2,584)
Profit/(Loss) on ordinary activities before tax				16,334	(7,065)
Tax on profit/(loss) on ordinary activities	11			(2,867)	3,124
Profit/(Loss) for the financial year	24			13,467	(3,941)
All operations are continuing					

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 May 2012

	2012 £'000	2011 £'000
Profit/(Loss) for the financial year	13,467	(3,941)
Unrealised deficit on revaluation of investment property in joint venture	-	(415)
Total recognised gains and losses relating to the year	13,467	(4,356)

The accompanying accounting policies and notes form an integral part of these financial statements

NORWICH CITY FOOTBALL CLUB PLC

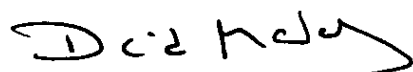
CONSOLIDATED BALANCE SHEET AT 31 MAY 2012

Company number 154044

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible fixed assets	12	11,339	4,368
Tangible fixed assets	13	30,258	31,478
Investment in associated undertaking	14	47	53
		41,644	35,899
Current assets			
Stocks	15	603	441
Debtors	16	12,260	10,173
Cash at bank and in hand		16,553	4,162
		29,416	14,776
Creditors: amounts falling due within one year	17	(49,786)	(33,592)
Net current liabilities		(20,370)	(18,816)
Total assets less current liabilities		21,274	17,083
Creditors: amounts falling due after more than one year	17	(3,961)	(13,011)
Accruals and deferred income	18	(2,072)	(2,162)
Provisions for liabilities	20	(167)	(203)
Investment in joint venture	14		
- share of gross assets		2,702	2,266
- share of gross liabilities		(3,340)	(3,008)
		(638)	(742)
Net assets		14,436	965
Capital and reserves			
Called up equity share capital	21	616	616
Share premium account	22	10,672	10,668
Revaluation reserves	22	71	71
Capital redemption reserve	22	34	34
Profit and loss account	23	3,043	(10,424)
Shareholders' funds	24	14,436	965

The financial statements were approved by the board of directors, signed and authorised for issue on 3 September 2012 and signed on its behalf by

D McNally Director



The accompanying accounting policies and notes form an integral part of these financial statements

NORWICH CITY FOOTBALL CLUB PLC

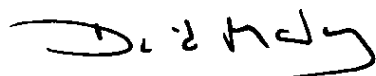
COMPANY BALANCE SHEET AT 31 MAY 2012

Company number 154044

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible fixed assets	12	11,339	4,368
Tangible fixed assets	13	30,068	30,646
Fixed asset investments	14	341	341
		41,748	35,355
Current assets			
Stocks	15	603	441
Debtors	16	12,753	11,308
Cash at bank and in hand		16,553	4,156
		29,909	15,905
Creditors: amounts falling due within one year	17	(49,455)	(32,647)
Net current liabilities		(19,546)	(16,742)
Total assets less current liabilities		22,202	18,613
Creditors: amounts falling due after more than one year	17	(3,961)	(13,011)
Accruals and deferred income	18	(2,072)	(2,162)
Net assets		16,169	3,440
Capital and reserves			
Called up equity share capital	21	616	616
Share premium account	22	10,672	10,668
Revaluation reserve	22	71	71
Capital redemption reserve	22	34	34
Profit and loss account	23	4,776	(7,949)
Shareholders' funds	24	16,169	3,440

The financial statements were approved by the board of directors, signed and authorised for issue on 3 September 2012 and signed on its behalf by

D McNally Director



NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 May 2012

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	25	30,493	1,790
Dividends from associated undertakings		6	-
Returns on investments and servicing of finance	26	(3,203)	(324)
Capital expenditure and financial investment	26	(9,570)	673
Net cash inflow before financing		17,726	2,139
Financing			
Issue of shares	26	4	2,013
Decrease in debt	26	(5,297)	(1,692)
		(5,293)	321
Increase in cash in the year	27	12,433	2,460

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

For the year ended 31 May 2012

	Note	2012 £'000	2011 £'000
Increase in cash in the year	27	12,433	2,460
Cash inflow from decrease in debt	27	5,297	1,692
Change in net debt resulting from cash flows		17,730	4,152
Net debt at 1 June 2011		(16,778)	(20,930)
Net funds/(debt) at 31 May 2012	27	952	(16,778)

The accompanying accounting policies and notes form an integral part of these financial statements

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention, as modified by the valuation of certain freehold land and buildings and the investment property in the joint venture company. In addition, the financial statements have also been prepared in accordance with the document 'Financial Reporting Guidance for Football Clubs' issued by The Football League, The FA Premier League and the FA.

(b) Going concern

Following the signing of a long term financial restructure agreement on 29 November 2010 with AXA Investment Managers Limited and Bank of Scotland, the Club has operated in compliance with its principal lenders' covenants since that date.

Promotion to the Premier League and subsequent retention of Premier League status has lead to an acceleration of repayments to AXA Investment Managers Limited as agreed in the restructure plan.

In assessing the appropriateness of the going concern assumption the directors have prepared detailed cash flow forecast scenarios covering a period to 31 May 2014 and have considered any uncertainties in relation to income and costs along with the requirement to make deferred interest and loan repayments as they fall due in that period.

The scenarios have been prepared on the basis of both continued Premier League status and also Championship status. In the Premier League, a shortfall in funding of up to £2.2m is forecast to occur for two months in the summer 2013. Informal discussions with the Clubs bank have indicated a willingness to support the Club with an overdraft during this short period. If this proves not to be forthcoming closer to the time when it needs to be formalised, discussions with other lenders have indicated an ability to borrow against future Premier League receipts to fund this gap. Although the shortfall in funding is larger under the Championship model, it is still a short term issue and the Board is confident that it can be covered by a combination of an overdraft facility and an advance against parachute payments. The directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

(c) Consolidated financial statements

The financial statements incorporate the financial statements of Norwich City Football Club PLC and its subsidiary undertakings. With the exception of Kerrison Hotel Limited, which has a year end of 31 March 2012, the financial statements of all group undertakings are made up to 31 May 2012. A separate profit and loss account has not been included for Norwich City Football Club PLC by virtue of Section 408 of the Companies Act 2006. The profit for the year relating to this company of £12,724,000 (2011: £3,105,000) is included in the consolidated profit and loss account.

Associates and joint ventures are accounted for in accordance with Financial Reporting Standard 9 'Associates and Joint Ventures'. The joint venture in Kerrison Hotel Limited is consolidated proportionately at 30%, being the Kerrison Developments Limited share in the joint venture. The associate holding in Eventguard Limited is consolidated using the equity method at 24.9% being the Club's shareholding in the associate.

(d) Turnover

Turnover comprises net gate and ticket receipts, sports contracts, television and sponsorship revenue, catering, shop, programme, lottery and rental income, excluding value added tax. Turnover is the total amount excluding value added tax, receivable by the group in the ordinary course of business. Net gate and ticket receipts are recognised when the match is played, sports contracts, television and sponsorship revenue is recognised over the contract or sponsorship period, rental income is recognised over the rental period and all other income is recognised as it becomes receivable in line with the service provided.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

1 ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

(f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- not depreciated
Freehold buildings	- straight line over 40 to 50 years or remaining useful life if less
Plant and machinery	- straight line over 5 to 10 years
Motor vehicles	- straight line over 5 years

(g) Leases

Rentals applicable on operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account on a straight line basis over the term of the lease. The cost of assets acquired on finance leases and on hire purchase contracts are capitalised and written off over the estimated useful life of the asset. Lease finance charges represent a constant proportion of the capital balance outstanding and are allocated to accounting periods during the term of the lease.

(h) Stocks

Stocks are valued at the lower of cost (on a first in, first out basis) and net realisable value after making due allowance for obsolete and slow-moving stocks.

(i) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19 'Deferred Taxation', provision is made for deferred taxation liabilities in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax balances are not discounted.

(j) Deferred grant income

Grants relating to freehold buildings are being released to the profit and loss account on a straight line basis over 50 years or over the remaining useful life of the building if less.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

1 ACCOUNTING POLICIES

(k) Pensions

The group participates in a defined contribution pension scheme for certain employees and contributes to certain employees' personal pension schemes. The pension charge represents the amount payable by the group to the fund in respect of the year.

In addition, the group is making contributions in respect of its share of the deficit of the defined benefit section of The Football League Pension and Life Assurance Scheme ("the Scheme"). Contributions are charged to the profit and loss account when they are claimed by the Scheme. Under Financial Reporting Standard 17 'Retirement Benefits' ("FRS 17"), the Scheme would be treated as a defined benefit multi-employer scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities cannot be identified on a reasonable basis and accordingly no disclosures are made under the provisions of FRS 17.

The assets of all schemes are held in funds independent from the group.

(l) Transfer income and intangible assets

Transfer income is credited to the profit and loss account, after deducting the net book value of the relevant player's registration.

In accordance with Financial Reporting Standard 10 'Goodwill and Intangible Assets' and Financial Reporting Guidance for Football Clubs, transfer fees, transfer levies payable and agents fees are capitalised as intangible assets. Amortisation is provided at rates calculated to write off the cost of the transfer over the duration of the player's contract.

Payments, which are contingent on the appearances and/or performance of a player, are not recognised until the events crystallising such payments are more likely than not to take place.

(m) Finance costs

The finance costs of debt are allocated to periods over the term of the debt at a constant rate on the carrying amount. The carrying amount of debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debt in that period. Immediately after issue, debt is stated at the amount of net proceeds, which will be net of issue costs.

2 TURNOVER

Turnover in respect of the business operations comprised

	2012 £'000	2011 £'000
Gate receipts and ticket sales	11,338	8,137
Broadcasting (FA & League income)	48,525	5,504
Media	405	241
Catering	4,314	4,378
Commercial	6,723	4,062
Concert	1,249	-
Other income	1,748	702
	<hr/>	<hr/>
Group turnover	74,302	23,024
Share of turnover in joint venture	306	304
	<hr/>	<hr/>
Group and share of joint venture	74,608	23,328
	<hr/>	<hr/>

All turnover arose within the United Kingdom

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

3 OPERATING EXPENSES

Total operating expenses comprised

	2012 £'000	2011 £'000
Staff costs (note 6)	36,768	18,445
Depreciation of tangible fixed assets (note 13) - owned by the group	1,609	1,557
- finance leases and hire purchase	-	16
Auditor's remuneration - audit of the company's financial statements	26	17
- other services - audit of the company's subsidiaries	4	3
- tax services	22	12
Operating lease rentals	221	184
Other operating expenses	12,733	5,660
	<u>51,383</u>	<u>25,894</u>
Amortisation and impairment of intangible fixed assets (note 12)	6,298	1,460
	<u>57,681</u>	<u>27,354</u>

4 OTHER OPERATING INCOME

	2012 £'000	2011 £'000
Donations	20	63

5 GAIN ON DISPOSAL OF PLAYERS' REGISTRATIONS

	2012 £'000	2011 £'000
Gain on disposal of players' registrations	533	183
Appearance related receipts for former players	113	90
	<u>646</u>	<u>273</u>

6 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £'000	2011 £'000
Wages and salaries	29,591	16,089
Other employment costs (including loan players)	2,956	379
	<u>32,547</u>	<u>16,468</u>
Social security costs	3,620	1,867
Pension costs (note 3)	601	110
	<u>36,768</u>	<u>18,445</u>

The average monthly number of regular employees, including directors, during the year was as follows

NORWICH CITY FOOTBALL CLUB PLC

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For the year ended 31 May 2012

	Number of employees	
	2012	2011
Directors	7	7
Football (including academy and football support staff)	85	72
Other	118	102
	<u>210</u>	<u>181</u>

7 DIRECTORS' REMUNERATION

	2012 £'000	2011 £'000
Total and highest paid director		
Aggregate emoluments and benefits	1,389	871
Contributions to money purchase pension scheme (one (2011 one) director)	144	27
	<u>1,533</u>	<u>898</u>

Aggregate emoluments include performance related bonuses of £967,000 (2011 £582,000) for achieving an improved financial performance in the year and retention of Premier League status

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £'000	2011 £'000
Bank interest receivable		
Group	34	104
	<u>34</u>	<u>104</u>

9 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Group		
Bank loans and overdrafts	330	252
Loan notes		
- interest charges	1,055	918
- early redemption penalty	-	1,153
Other similar charges	138	38
	<u>1,523</u>	<u>2,361</u>
Pension liability (note 30)	33	35
Finance charges on shares classified as liabilities (note10)	66	67
	<u>1,622</u>	<u>2,463</u>
Joint venture		
Bank loan	123	121
	<u>1,745</u>	<u>2,584</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

10 DIVIDENDS ON SHARES CLASSIFIED AS FINANCIAL LIABILITIES

	2012 £'000	2011 £'000
Dividend payable		
'A' preference shares	1	1
'B' preference shares	65	66
	<u>66</u>	<u>67</u>

11 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

a. Analysis of tax (charge)/credit for the year:

	2012 £'000	2011 £'000
Based on the group profit/(loss) for the year		
<i>Current tax</i>		
UK Corporation tax on profit/(loss) of the year (note 11b)	(153)	-
Adjustments in respect of prior periods	(4)	-
	<u>(157)</u>	<u>-</u>
<i>Deferred tax</i>		
Current year (note 19)	(2,710)	3,124
	<u>(2,867)</u>	<u>3,124</u>
Tax on profit/ (loss) on ordinary activities		

The deferred tax asset has been recognised as the group is forecasting taxable profits for the year ended 31 May 2013 in excess of the net taxable losses carried forward at 31 May 2012. Therefore the losses can be set against future trading profits.

NORWICH CITY FOOTBALL CLUB PLC

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For the year ended 31 May 2012

TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

b. Factors affecting the tax charge/ (credit) for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2012 £'000	2011 £'000
Profit/(Loss) on ordinary activities before tax	16,334	(7,065)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.7% (2011: 28%)	4,191	(1,978)
Expenses not deductible for tax purposes (net of income not taxable)	305	60
Capital allowances (in excess of)/in deficit of depreciation	(265)	392
Sale of freehold land	89	(61)
Unrealised deficit on revaluation of investment property in joint venture	-	312
Other timing differences	76	(12)
Losses carried forward	-	1,287
Utilisation of losses brought forward	(4,243)	-
Adjustment in respect of prior periods	4	-
	157	-

c. Factors that may affect future tax charges:

No provision has been made for deferred tax on gains recognised on the revalued land or capital gains which have been rolled over into other group assets as it is the intention to retain ownership of the revalued land and core capital assets for use in the existing business for the foreseeable future. As a result of the changes implemented by the 2012 Finance Act, the rate of corporation tax in the United Kingdom will reduce from 24% to 23% next year.

12 INTANGIBLE FIXED ASSETS

Group and company	Players' registrations £'000
Cost	
At 1 June 2011	6,984
Additions	13,367
Disposals	(389)
At 31 May 2012	19,962
Amortisation	
At 1 June 2011	2,616
Charge for the year	5,129
Disposals	(291)
Impairments	1,169
At 31 May 2012	8,623
Net book value at 31 May 2012	11,339
Net book value at 31 May 2011	4,368

NORWICH CITY FOOTBALL CLUB PLC

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For the year ended 31 May 2012

13 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Group				
Cost or valuation				
At 1 June 2011	41,952	7,420	11	49,383
Additions	594	436	-	1,030
Disposals	(641)	-	-	(641)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2012	41,905	7,856	11	49,772
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 June 2011	11,460	6,440	5	17,905
Charge for the year	1,436	171	2	1,609
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2012	12,896	6,611	7	19,514
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 May 2012	29,009	1,245	4	30,258
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 May 2011	30,492	980	6	31,478
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of freehold land and buildings comprises

	2012 £'000	2011 £'000
Assets at adopted valuation (per FRS 15)		
Land (not depreciated)	2,483	2,483
Assets at cost		
Land (not depreciated)	1,726	2,367
Buildings and infrastructure	24,800	25,642
	<hr/>	<hr/>
	29,009	30,492
	<hr/>	<hr/>

If the amount of the revalued land had been determined according to historical cost accounting rules, the book value of the land would have been as follows

	2012 £'000	2011 £'000
Cost and net book value	2,412	2,412
	<hr/>	<hr/>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

13 TANGIBLE FIXED ASSETS (CONTINUED)

Company	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 June 2011	41,078	7,420	11	48,509
Additions	594	437	-	1,031
At 31 May 2012	41,672	7,857	11	49,540
Depreciation				
At 1 June 2011	11,418	6,440	5	17,863
Charge for the year	1,436	171	2	1,609
At 31 May 2012	12,854	6,611	7	19,472
Net book value at 31 May 2012	28,818	1,246	4	30,068
Net book value at 31 May 2011	29,660	980	6	30,646

The net book value of freehold land and buildings comprises

	2012 £'000	2011 £'000
Assets at adopted valuation (per FRS 15)		
Land (not depreciated)	1,917	1,917
Assets at cost		
Land (not depreciated)	2,185	2,185
Buildings and infrastructure	24,716	25,558
	28,818	29,660

If the amount of the revalued land had been determined according to historical cost accounting rules, the book value of the land would have been as follows

	2012 £'000	2011 £'000
Cost and net book value	1,846	1,846

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

14 FIXED ASSET INVESTMENTS

	Group Interest in joint venture £'000	Group Interest in associated undertaking £'000	Company Investment in associated undertaking £'000	Company Investment in subsidiary undertakings £'000
Cost				
At 1 June 2011	(742)	53	28	940
Share of result and movement in equity for the year	104	(6)	-	-
At 31 May 2012	(638)	47	28	940
Amounts written off				
At 1 June 2011 and 31 May 2012	-	-	-	627
Net book value at 31 May 2012	(638)	47	28	313
Net book value at 31 May 2011	(742)	53	28	313

Subsidiary undertakings

The subsidiary undertakings, which were incorporated in England and Wales and are included within the consolidated financial statements at 31 May 2012, are as follows

Company	% owned	Principal Activity
N C F C (Holdings) Limited	100%	Property holding company
Kerrison Holdings Limited	100%	Provision of car park facilities and property development
Kerrison Developments Limited	100%	Interest in joint venture

Associated undertaking

Norwich City Football Club PLC owns 24.9% of the shares in EventGuard Limited

Joint venture

The interest in the joint venture, Kerrison Hotel Limited, comprises £2 (2011 £2) of share capital and £638,000 share of post-acquisition profits and unrealised losses of the company (2011 £742,000 share of post-acquisition profits and unrealised losses of the company). The financial statements of Kerrison Hotel Limited are made up to 31 March 2012

The investment represents 100% of the issued 'A' ordinary share capital of the joint venture. Norwich City Football Club PLC does not have any interest in the 'B' ordinary share capital

In accordance with the joint venture agreement, the income and profits are apportioned between the 'A' and 'B' ordinary shareholders in the ratio of 30% and 70% respectively

The principal activity of the joint venture company is to manage a hotel at Carrow Road, Norwich

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

15 STOCKS

	Group and company	
	2012	2011
	£'000	£'000
Goods for resale	603	441

16 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Due within one year				
Trade debtors	6,473	5,432	6,473	5,432
Amounts due from subsidiary undertakings	-	-	835	1,682
Deferred tax asset (note 19)	414	3,124	414	3,124
Other debtors	4,557	981	4,453	877
Prepayments and accrued income	816	636	578	193
	12,260	10,173	12,753	11,308

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Bank overdraft	-	42	-	42
Bank loans	1,219	1,438	1,219	833
Loan notes	9,071	2,346	9,071	2,346
Other loans	3,549	6,188	3,549	6,188
Trade creditors	7,349	3,000	7,349	3,000
Receipts in advance	9,211	8,662	9,211	8,662
Other taxes and social security	4,576	1,660	4,576	1,660
Corporation tax	153	-	134	-
4 5% 'B' preference shares of £1 each	1,552	1,552	1,552	1,552
Dividends payable on shares classified as financial liabilities	149	83	149	83
Other creditors	361	288	361	288
Accruals and deferred income	12,596	8,333	12,284	7,993
	49,786	33,592	49,455	32,647

The security pledged for the bank loans and loan notes is disclosed below

Other loans of £3,549,000 (2011 £6,188,000) are unsecured and interest free

The 4 5% 'B' preference shares of £1 each are classified as repayable within one year. Where valid requests have been received, subject to the Company being permitted to do so in accordance with its Articles of Association, redemption will (subject to when the valid request was received) take place on either 1 January 2013 or the date at which all arrears of dividends have been paid to the B preference share holders.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Bank loans	200	500	200	500
Loan notes	-	8,864	-	8,864
Receipts in advance	567	895	567	895
5 25% 'A' preference shares of £1 each	10	10	10	10
Accruals and deferred income	3,184	2,742	3,184	2,742
	<u>3,961</u>	<u>13,011</u>	<u>3,961</u>	<u>13,011</u>

The amounts falling due after more than one year fall due for repayment as follows

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
In one to two years				
Bank loans	200	500	200	500
Loan notes	-	8,864	-	8,864
Receipts in advance	321	768	321	768
Accruals and deferred income	2,202	2,523	2,202	2,523
	<u>2,723</u>	<u>12,655</u>	<u>2,723</u>	<u>12,655</u>

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
In two to five years				
Receipts in advance	246	81	246	81
Accruals and deferred income	852	171	852	171
	<u>1,098</u>	<u>252</u>	<u>1,098</u>	<u>252</u>

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
In more than five years				
Receipts in advance	-	46	-	46
5 25% 'A' preference shares of £1 each	10	10	10	10
Accruals and deferred income	130	48	130	48
	<u>140</u>	<u>104</u>	<u>140</u>	<u>104</u>

The loan notes were released in two instalments of £7,500,000 and interest is charged at a fixed rate of 7.67% and 7.24% on the two instalments. The first capital repayments were made in May 2005. The loan notes are being repaid in a securitisation agreement serviced by future stadium generated gross revenues including season ticket and matchday income, Premier League centrally distributed funds, sponsorship revenue and catering income. Issue costs amounting to £598,758 have been offset against the loan proceeds and are being amortised to give a constant rate on the outstanding balance of the liability.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

As a result of the long term financial restructure agreement which was signed with AXA Investment Managers Limited and Bank of Scotland on 29 November 2010, and retention of Premier League status at the end of the 11/12 season, the loan notes are repayable in May 2013

A bank loan of £1,500,000, of which £1,419,000 (2011 £1,334,000) is outstanding at the year end, is repayable by monthly instalments. Following the long term financial restructure agreement on 29 November 2010, the loan is repayable over a period to 31 October 2013. Interest is payable in arrears at 2% above the Bank of Scotland base rate and is secured by a legal mortgage and charge on land purchased by Norwich City Football Club PLC

A further bank loan of £nil (2011 £604,000) was repaid in August 2011. The loan was secured by a first legal charge and debenture on land purchased by Kerrison Holdings Limited

18 ACCRUALS AND DEFERRED INCOME

	Group and company	
	2012	2011
	£'000	£'000
Deferred grant income		
At 1 June 2011	2,162	2,260
Credited to profit and loss account	(90)	(98)
	<u>2,072</u>	<u>2,162</u>
At 31 May 2012	<u>2,072</u>	<u>2,162</u>

19 DEFERRED TAXATION

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Deferred tax asset				
At 1 June 2011	3,124	-	3,124	-
Additional tax losses arising	1,755	-	1,755	-
(Debited)/Credited to profit and loss account (note a)	(4,465)	3,124	(4,465)	3,124
	<u>414</u>	<u>3,124</u>	<u>414</u>	<u>3,124</u>
At 31 May 2012 (note 16)	<u>414</u>	<u>3,124</u>	<u>414</u>	<u>3,124</u>

The unprovided deferred tax (liability) at 31 May 2012 shown below has not been recognised due to the uncertainty surrounding its recovery

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(13)	(111)	(13)	-
Other timing differences	-	-	-	-
Losses carried forward	-	60	-	-
	<u>(13)</u>	<u>(51)</u>	<u>(13)</u>	<u>-</u>
Unprovided (liability) at 31 May 2012	<u>(13)</u>	<u>(51)</u>	<u>(13)</u>	<u>-</u>

The deferred tax liability for accelerated capital allowances predominantly relates to the capital allowances claimed on the construction of the hotel in the joint venture company, which will only be realised if the hotel is subsequently sold

NORWICH CITY FOOTBALL CLUB PLC

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For the year ended 31 May 2012

20 PROVISION FOR LIABILITIES

The provision relates to further expenditure required by a group undertaking for utility services and other amenities in connection with the sale of land in 2004. The provision represents the directors' best current estimate of the cost of carrying out this work over the next two years.

	Group	
	2012 £'000	2011 £'000
At 1 June 2011	203	283
Provision utilised	(36)	(80)
At 31 May 2012	167	203

21 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
Equity interest		
616,118 (2011 616,052) ordinary shares of £1 each	616	616
Interest in shares classified as financial liabilities		
9,675 5 25% 'A' preference shares of £1 each	10	10
15,523 (2011 15,523) 4 5% 'B' preference shares of £1 each	16	15
Total interest in shares classified as financial liabilities	26	25

During the year 66 (2011 80,415) £1 ordinary shares were issued at an average cost of £55 each (2011 £25 each) and 2 (2011 2) 'B' £1 preference shares were issued at a cost of £100 each (2011 £100 each). The total proceeds were £3,600 (2011 £2,012,450). An amount of £3,534 (2011 £1,933,000) has been credited to the share premium account in respect of the £1 ordinary shares (note 22).

The holders of the 'A' preference shares have the right to preference dividends at a rate of 5 25% per annum on the nominal value in priority to holders of any other shares. The holders of 'B' preference shares have the right to a cumulative preferential cash dividend at 4 5% of issue price, subject to the payment of the 'A' preference dividend, but in priority to dividends on ordinary shares.

The 'A' preference shares are not redeemable, therefore the par value of the shares has been shown as a liability due in more than five years.

The holders of the 'B' preference shares have an option to redeem their shares in any year the Club achieves or retains promotion to the Premier League. The 'B' shares are redeemable at £100 per share and, as the redemption date is January 2013 or earlier, the shares have been classified as a liability due within one year (2011 a liability due within one year).

In the event of a winding up order on the company, the holders of preference shares have the right only to repayment of capital paid up thereon and arrears of preference dividends to the date of payment but shall not have any further right to participate in profits or surplus assets.

The 'A' and 'B' preference shareholders do not have the right to vote at General Meetings of the company, except on resolutions proposing the winding up of the company or where the preference dividend is in arrears for more than 12 months.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

22 RESERVES

	Group 2012 £'000	Company 2012 £'000
Share premium account		
At 1 June 2011	10,668	10,668
Premium on shares issued during the year (note 0)	4	4
	<hr/>	<hr/>
At 31 May 2012	10,672	10,672
	<hr/>	<hr/>
Revaluation reserve		
At 1 June 2011 and 31 May 2012	71	71
	<hr/>	<hr/>
Capital redemption reserve		
At 1 June 2011 and 31 May 2012	34	34
	<hr/>	<hr/>

23 PROFIT AND LOSS ACCOUNT

	Group 2012 £'000	Company 2012 £'000
Balance at 1 June 2011	(10,424)	(7,949)
Profit for the financial year	13,467	12,725
	<hr/>	<hr/>
Balance at 31 May 2012	3,043	4,776
	<hr/>	<hr/>

24 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Profit/(Loss) for the financial year	13,467	(3,941)
Ordinary shares issued during the year	-	80
Premium on ordinary shares issued during the year	4	1,933
Share of deficit on revaluation of investment property in joint venture	-	(415)
	<hr/>	<hr/>
Net increase/(decrease) in shareholders' funds	13,471	(2,343)
Shareholders' funds at 1 June 2011	965	3,308
	<hr/>	<hr/>
Shareholders' funds at 31 May 2012	14,436	965
	<hr/>	<hr/>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

25 RECONCILIATION OF GROUP OPERATING PROFIT/ (LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £'000	2011 £'000
Group operating profit/(loss)	16,641	(4,267)
Impairment of intangible fixed assets	1,169	-
Amortisation of intangible fixed assets	5,129	1,460
Depreciation of tangible fixed assets	1,609	1,573
Increase in stocks	(162)	(7)
Increase in debtors	(4,642)	(1,710)
Increase in creditors	10,874	4,919
Deferred grant income	(89)	(98)
Decrease in provision	(36)	(80)
Net cash inflow from operating activities	30,493	1,790

26 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £'000	2011 £'000
Returns on investments and servicing of finance		
Interest received	34	104
Interest paid	(3,237)	(380)
Preference dividends paid	-	(48)
	(3,203)	(324)
Capital expenditure		
Purchase of intangible fixed assets	(10,401)	(2,095)
Purchase of tangible fixed assets	(1,022)	(410)
Proceeds from sale of intangible fixed assets	688	978
Proceeds from sale of tangible fixed assets	1,165	2,200
	(9,570)	673
Financing		
Issue of ordinary shares and share premium	4	2,013
New loans	-	500
Repayments of loans	(5,297)	(2,186)
Capital element of finance lease rentals	-	(6)
Net (decrease)/ increase in debt	(5,293)	321

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

27 ANALYSIS OF NET DEBT

	At 1 June 2011 £'000	Cash flow £'000	Transfer £'000	At 31 May 2012 £'000
Cash balances				
Cash at bank and in hand	4,162	12,391	-	16,553
Bank overdraft	(42)	42	-	-
	<u>4,120</u>	<u>12,433</u>	<u>-</u>	<u>16,553</u>
Debt				
Debt due within one year	(9,972)	5,297	(9,164)	(13,839)
Debt due after one year	(9,364)	-	9,164	(200)
	<u>(19,336)</u>	<u>5,297</u>	<u>-</u>	<u>(14,039)</u>
Preference shares				
'A' preference shares	(10)	-	-	(10)
'B' preference shares	(1,552)	-	-	(1,552)
	<u>(1,562)</u>	<u>-</u>	<u>-</u>	<u>(1,562)</u>
Net (debt)/funds	<u>(16,778)</u>	<u>17,730</u>	<u>-</u>	<u>952</u>

28 CONTINGENT LIABILITIES

Additional payments amounting to a maximum of £4,489,000 (2011 £2,380,000) will become payable if certain conditions in transfer and player contracts at 31 May 2012 are fulfilled. Additional signing on fees up to a maximum of £2,310,500 (2011 £704,000) will become payable to players subject to the terms and conditions of their contracts being fulfilled.

29 CONTINGENT ASSETS

The company is pursuing claims for compensation during the year ending 31 May 2013 in respect of (i) the termination without notice by a former member of its professional football staff of his contract of employment with the company, and (ii) the inducement by another professional football club of the aforementioned termination in breach of the Premier League's rules. The aforementioned member of the club's professional football staff is pursuing a counter-claim against the company for liquidated damages in respect of said termination of his contract of employment. The matter has not yet been resolved and at this stage it is not practicable to disclose an estimate of the financial outcome.

30 PENSION SCHEMES

Money purchase pension scheme

During the year the group participated in a money purchase scheme and the Football League Limited Pension and Life Assurance Scheme, for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the group. Contributions to this scheme during the year amounted to £17,000 (2011 £20,000). At 31 May 2012 there were outstanding contributions of £2,000 (2011 £2,000).

Employees' personal pension schemes

During the year the group made contributions to certain employees' personal pension schemes. Contributions to these schemes during the year amounted to £182,000 (2011 £90,000). At 31 May 2012 there were outstanding contributions of £3,000 (2011 £1,000).

NORWICH CITY FOOTBALL CLUB PLC

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For the year ended 31 May 2012

PENSION SCHEMES (CONTINUED)

Football League Final Salary Scheme

The Football League Final Salary scheme is administered nationally and is now closed to new members. The latest actuarial valuation, which was undertaken in 2011, indicated that the scheme remains in deficit and, in accordance with the scheme rules, Norwich City Football Club PLC, along with the other football clubs, are required to make payments to the pension scheme to reduce the deficit. The charge to the profit and loss account during this year was £402,000 as a result of the latest actuarial valuation. Interest is charged by the pension scheme on the outstanding amount at approximately 7.6% per annum and interest of £37,000 (2011: £35,000) was payable during the year. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately seven (2011: eight) years to September 2019. The total amount payable to the pension scheme at 31 May 2012, including accumulated interest, was £711,000 (2011: £333,000) and is included in accruals and deferred income.

31 OPERATING LEASE COMMITMENTS

The group and company had annual commitments under non-cancellable operating leases as set out below:

	2012		2011	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date				
Within one year	-	-	-	11
Between one and two years	-	126	-	-
Between two and five years	88	7	40	133
	<u>88</u>	<u>133</u>	<u>40</u>	<u>144</u>

32 RELATED PARTY TRANSACTIONS

Loans due to directors and their companies

The Company has taken advantage of the exemption conferred by FRS 8 'Related Party disclosures' not to disclose transactions or balances with entities which form part of the group headed by the Company.

At 31 May 2012, the following balances were outstanding on loans advanced to the group and company:

	Group and company	
	2012	2011
	£'000	£'000
Ms D A Smith and E M S Wynn Jones	2,109	2,109
M M Foulger	1,440	1,440

The loan advanced by Ms D A Smith and E M S Wynn Jones is interest free and repayable on demand, subject to the Club not having any indebtedness or liability to Bank of Scotland.

The loan advanced by M M Foulger is interest free and repayable on the earlier of 31 August 2012 or Ms D A Smith and E M S Wynn Jones ceasing between them to be the registered holders of at least 30% of the ordinary share capital of the company, subject to the Club not having any indebtedness or liability to Bank of Scotland.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2012

RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with directors and their companies

	Group and company Sales		Group and company Purchases	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Ms D A Smith and E M S Wynn Jones (joint)	-	28	-	-
M M Foulger	11	14	-	-
Banham Poultry Limited (M M Foulger)	26	26	-	3

At 31 May 2012 the following balances (inclusive of value added tax) were outstanding

	Group and company Sales ledger		Group and company Purchase ledger	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Ms D A Smith and E M S Wynn Jones (joint)	-	5	-	-
M M Foulger	2	2	-	-
Banham Poultry Limited (M M Foulger)	22	20	-	3

Transactions with the joint venture company

At 31 May 2012 the group owed £2 (2010 £2) to Kerrison Hotel Limited, being the called up share capital not paid on the 'A' ordinary shares of Kerrison Hotel Limited. In respect of trading transactions, £69,000 (2011: £69,000) was owed to Kerrison Hotel Limited, and an amount of £14,240 (2011: £nil) was owed to the Club.

33 RELATED PARTY TRANSACTIONS AND CONTROL

At 31 May 2012 Ms D A Smith and her husband and co-director, E M S Wynn Jones owned 53.1% (2011: 53.1%) of the issued capital of the company. In accordance with Financial Reporting Standard 8 'Related Party Disclosures', the Board have concluded that ultimate control of the company vests in these related parties.

34 POST BALANCE SHEET EVENTS

Transfer of players' registrations

Subsequent to the year end the Club has acquired the registrations of players Butterfield, Whittaker, Snodgrass, Turner, Garrido, Bassong, Tetley and Bunn. The Club also sold the registration of Crofts for an amount in excess of the carrying value at the balance sheet date.

The net payment to which the club is committed to in respect of these transactions is £9.9m with a maximum further amount due of £2.2m dependent on Club and/or player performance.