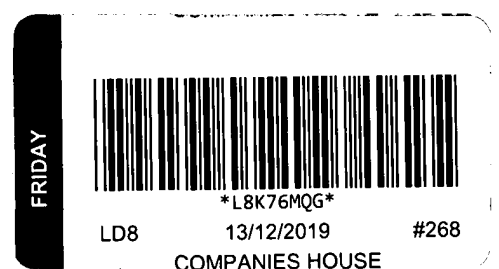


**NORWICH CITY FOOTBALL
CLUB PLC**

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019



Company number 00154044

NORWICH CITY FOOTBALL CLUB PLC

ANNUAL REPORT

For the year ended 30 June 2019

Board of Directors:	M M Foulger (Deputy Chairman) S J Phillips Ms D A Smith T Smith E M S Wynn Jones
Company Secretary:	B Dack (Chief Financial Officer)
Other Senior Executives:	A Blofeld (Club Secretary) B Kensell (Chief Operating Officer) Z Ward (Business and Project Director) S Webber (Sporting Director)
Company Number:	00154044
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 30 June 2019

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NORWICH CITY FOOTBALL CLUB PLC

STRATEGIC REPORT

The Directors present the Group's Strategic Report for the year ended 30 June 2019.

Principal activities

The Group's principal activity is that of a professional football club (the "Club"). The principal activities of the subsidiary undertakings are shown in note 15.

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):

	2019	2018
Average league attendance (number)	26,017	25,960
Season tickets sold (number)	20,257	20,557
Player wage costs as a percentage of turnover (%) excluding promotional bonuses	73	50
Player wage costs as a percentage of turnover (%) including promotional bonuses	105	50
Cash balance at the year end (£'000)	(18,144)	16,055
Group operating loss excluding player trading (£'000)	(29,545)	(5,074)
League position (and points)	1 (94)	14 (60)

Business review and future outlook

2018/19 was an incredible season for the Club, finishing as Champions on 94 points and achieving promotion back to the Premier League. The Club is delighted with the positive impact of younger players in the squad as a result of heavy investment in our Academy development.

As a result of the parachute payments from the Premier League coming to an end, turnover in 2018/19 is £33.7m and therefore significantly lower than the prior year (2017/18: £61.7m). Despite positive gains on disposals of player registrations the Group's results show an operating loss before tax of £39.4m (2017/18: operating profit before tax of £18.5m).

The cash outflow is primarily a result of cash used in operations of £32.8m, repayment of the Canaries Bond of £3.8m, however slightly improved by the net receipts of player trading of £10.2m.

The Club's future strategy is to strive to be an established Premier League club driven by our proud, passionate football community. This strategy continues to involve investment of available cash into the current and future playing squads, whilst ensuring the Academy continues to produce talented players capable of progressing to our first team. The strategy also includes a commitment to improving Club facilities.

The prior year saw the investment of a significant sum in development of our Academy, an area that had suffered under-investment in previous years. The majority of this investment was financed externally via the Canaries Bond. The Directors are immensely proud of the Club's achievements over the last Season and are confident of the long term future of the Club.

Principal business risk management objectives and policies

The Club's Board maintains a risk register which is reviewed, discussed and updated at every Board meeting. The Board considers the key potential business risks to be as follows:

- first team performance and the direct impact on league status and position and ultimately revenue generation;
- recruitment and retention of key colleagues;
- negative high profile player or colleague issues;
- supporter attendance levels at first team matches;
- negotiation of key commercial contracts;
- rules and regulations of the applicable football governing bodies;
- Health & Safety considerations, including terrorism threats, arising from operating a match day venue; and
- cash management in line with agreed working capital facility limits.

The Board delegates responsibility for operational risk to the Executive Committee. First team performance can have a significant impact on other key risk areas, so investment in the current and future playing squads continues to be the priority subject to the financial constraints within which the Club operates. Key performance indicators in relation to both football and commercial areas of the business are measured and reviewed weekly with corrective action taken where appropriate.

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios and material uncertainties in relation to income and costs, including English Premier League retention and the risk of relegation.

Under all of these scenarios, based on these cash flow forecasts, compliance with League rules and regulations, expectations for player trading and the availability of future external finance as required, the Club can meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these financial statements.

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

BY ORDER OF THE BOARD



B Dack
Company Secretary
27 September 2019

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

The Directors present their report and the consolidated financial statements for the year ended 30 June 2019.

Information included in the Strategic Report

Under S414c(ii) of the Companies Act 2006, the following information is included in the Strategic Report:

- details of the principal activity of the Group;
- a review of the business including developments in the year, its performance and current position;
- a summary of the principal risks and uncertainty affecting the Group; and
- information relating to the KPIs monitored by the Club.

Results and dividends

The loss for the year after taxation amounted to £33,017,000 (2018: profit of £14,638,000).

A dividend on the 'A' preference shares of £507 (2018: £507) and on the 'B' preference shares of £63,778 (2018: £63,838) has been accrued for in the year ended 30 June 2019 (note 11).

Directors

The Directors of the Company serving as at 30 June 2019 together with their beneficial interests in the Company's issued share capital were:

	Ordinary shares		'B' preference shares	
	of £1 each		of £1 each	
	30 June 2019	1 July 2018	30 June 2019	1 July 2018
M M Foulger	98,200	98,200	4,400	4,400
S J Phillips	100	100	-	-
Ms D A Smith	100	100	-	-
T Smith	104	104	1	1
E M S Wynn Jones	100	100	-	-
Ms D A Smith and E M S Wynn Jones (jointly)	327,209	327,109	3,025	3,025
	=====	=====	=====	=====

The above Directors served throughout the whole year unless the appointment date is shown.

In addition the following Directors served for part of the year:

- S Stone – resigned 8 October 2018
- E Balls – resigned 26 December 2018

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

Directors' and officers' liability insurance

During the year ended 30 June 2019 the Group maintained liability insurance for its Directors and Officers, as permitted by Section 233 of the Companies Act 2006.

Share capital

During the period no (2018: nil) £1 ordinary shares were issued.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

Principal financial risk management objectives and policies

The Group aims to minimise financial risk and prepares 18 month rolling budgets and monitors actual performance against these budgets. In addition the Group prepares rolling cash flow forecasts to make sure that cash is managed effectively. As part of its strategy, the Group has implemented a number of initiatives to ensure that it has sufficient cash resources to meet its day to day requirements (see going concern section on page 16).

The financial assets that expose the Group to financial risk include cash and trade debtors. Cash is held in bank accounts with Barclays Bank PLC. Trade debtors are monitored closely to minimise the risk of bad debts and amounts due from other clubs are covered by specific football creditor rules that help minimise these risks. The Directors are of the opinion that the risks associated with the Group's financial instruments are well managed.

Charitable activity

Norwich City Football Club continues to be at the heart of its community, working closely with the Community Sports Foundation to deliver support for charities and good causes through donations, awareness, and positive experiences.

During the course of the 2018/19 season:

- The club held a 'community day' in April for the fixture against QPR, which helped to raise £50,000 for the Community Sports Foundation through a ground collection, player donations, programme sales and other activities.
- Match day tickets were issued to charitable organisations such as the Royal British Legion, Veterans Norfolk and local Armed Forces representatives as part of our annual support of the Poppy Appeal and Club's Armed Forces Day. There was also a ground collection for the Royal British Legion.
- 250 club pennants were signed by the first team squad and issued to worthy causes to aid with fundraising.
- Before each home game, a Community Hero was announced to the crowd as they delivered the match ball. Each one has been nominated because of their contribution to the community through fundraising, heroism, or above and beyond support for the Club. The players undertook a number of community and charitable activities including visiting the children's wards at the James Paget and Norfolk and Norwich Hospitals as well as the Quidenham Children's Hospice at Christmas.
- In May, the club celebrated the Norwich City careers of Wes Hoolahan and Russell Martin with a game that featured players from each of their time at Carrow Road. The match was also a fundraiser, with proceeds split between the Russell Martin Foundation, Stepping Stones, Temple Hospital – Dublin, and the Community Sports Foundation.

CSF and The Nest

The Community Sports Foundation's work impacts 38,000 people a year through its various programmes, such as sports and social sessions for people with disabilities, sport and employability opportunities for people from disadvantaged backgrounds, and a range of other programmes to help people of all ages enjoy a healthy and active lifestyle.

The 2018 Run Norwich event, organised by the Community Sports Foundation, took place on 5 August 2018 with over 5,500 runners taking part. Around 600 of the participants were running to support the Community Sports Foundation and raised a total of £80,000 for the Foundation.

In September 2018, the Foundation opened its new community hub, The Nest. The hub is on the site of a disused sports ground near Norwich Airport and the first phase of development saw the renovation of the existing clubhouse, as well as the installation of five bunk boxes and the re-laying of seven grass football pitches.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

Plans for a second phase of development would add a full-size 3G pitch and changing facilities as well as further indoor space for the use of the community and existing and new Community Sports Foundation programmes. It is hoped that construction on this second phase can begin in 2020 subject to the successful acquisition of funding and fundraising.

Colleague involvement

Within the bounds of commercial confidentiality, information is disseminated to all colleagues about matters that affect the progress of the Group and are considered to be of interest and concern to them as colleagues.

Disabled colleagues

The Group gives full consideration to applications for employment from disabled people where candidate aptitude and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled colleagues for training, career development and promotion.

Where existing colleagues become disabled, the Group's policy is to provide continuing employment wherever practicable in the same or alternative position and to provide training to achieve this aim.

Payments to suppliers

The Group's policy in relation to all suppliers is to agree the terms of payment when agreeing the transaction and to abide by those terms, provided 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 45 (2018: 51) days.

Asset values

Accounting Standards require the Club to value its assets using specific criteria. At the year end there were 34 players (2018: 26) for which the cost of their player registration has been capitalised and is being amortised over the period of the respective players' contracts. The combined net book value of these players at 30 June 2019 was £14.4 million (2018: £14.4 million). The Carrow Road stadium and other land and buildings are currently stated at £30.0 million (2018: £24.6 million), being valued on an historical cost basis or an adopted valuation as detailed in note 14, less accumulated depreciation. In the opinion of the Directors, the replacement cost of the land and buildings at 30 June 2019 would exceed the book value included in the financial statements.

Post balance sheet events

Details of post balance sheet events are given in note 30 to the financial statements.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and 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 the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

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



B Dack
Company Secretary
27 September 2019

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

Opinion

We have audited the financial statements of Norwich City Football Club PLC ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

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, and for such internal control as the Directors 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 Parent 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with 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.



Ian Clayden (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

10th October 2019

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	Operations excluding player trading £'000	Player trading £'000	2019 Total £'000	2018 Total £'000
Group turnover	3	33,703	-	33,703	61,667
Operating expenses	4	(65,999)	(10,370)	(76,369)	(92,705)
Other operating income	5	2,751	-	2,751	2,050
Gain on disposal of players' registrations	6	-	2,014	2,014	48,023
Loss on disposal of investment		-	-	-	(52)
Group operating (loss)/profit		(29,545)	(8,356)	(37,901)	18,983
Interest receivable and similar income	9	88	987	1,075	683
Interest payable and similar charges	10	(2,276)	(275)	(2,551)	(1,185)
(Loss)/profit on ordinary activities before tax		(31,733)	(7,644)	(39,377)	18,481
Taxation	12			6,360	(3,843)
(Loss)/profit for the year				(33,017)	14,638
Other comprehensive income for the year				-	-
Total comprehensive (loss)/income for the year				(33,017)	14,638
(Loss)/profit and total comprehensive (loss)/income for the year attributable to:					
Non-controlling interests				(1)	-
Owners of the parent company				(33,016)	14,638
				(33,017)	14,638

All operations are continuing.

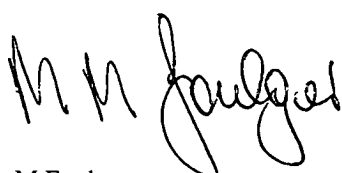
The accompanying accounting policies and notes form an integral part of these financial statements.

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	13		14,427		14,411
Tangible fixed assets	14		33,468		29,363
			<u>47,895</u>		<u>43,774</u>
Current assets					
Stocks	16	460		502	
Debtors: amounts falling due within one year	17	28,329		28,520	
Debtors: amounts due after more than one year	17	6,800		22,540	
Cash at bank and in hand		1,697		16,055	
		<u>37,286</u>		<u>67,617</u>	
Creditors: amounts falling due within one year	18	(73,745)		(47,353)	
Net current (liabilities)/assets			<u>(36,459)</u>		<u>20,264</u>
Total assets less current liabilities			11,436		64,038
Creditors: amounts falling due after more than one year	19		(2,023)		(11,889)
Deferred grant income	20		(1,450)		(1,538)
Provisions for liabilities	21		(5,096)		(14,727)
Net assets			<u>2,867</u>		<u>35,884</u>
Capital and reserves					
Called up equity share capital	23		617		617
Share premium account	24		10,730		10,730
Revaluation reserve	24		71		71
Capital redemption reserve	24		34		34
Profit and loss account	24		(8,584)		24,432
Equity attributable to owners of the parent company			<u>2,868</u>		<u>35,884</u>
Non-controlling interests			(1)		-
Total equity			<u>2,867</u>		<u>35,884</u>

The financial statements were approved by the board of Directors, signed and authorised for issue on 27 September 2019 and signed on its behalf by:



M Foulger

Director

NORWICH CITY FOOTBALL CLUB PLC

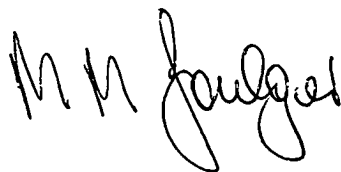
COMPANY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

Company number 00154044

	Note	2019 £'000	2018 £'000
Fixed assets			
Intangible fixed assets	13	14,427	14,411
Tangible fixed assets	14	34,048	29,943
Fixed asset investments	15	-	-
		<u>48,475</u>	<u>44,354</u>
Current assets			
Stocks	16	460	502
Debtors: amounts falling due within one year	17	28,254	28,436
Debtors: amounts due after more than one year	17	6,800	22,540
Cash at bank and in hand		1,697	16,055
		<u>37,211</u>	<u>67,533</u>
Creditors: amounts falling due within one year	18	(74,239)	(47,845)
Net current (liabilities)/assets		<u>(37,028)</u>	<u>19,688</u>
Total assets less current liabilities		<u>11,447</u>	<u>64,042</u>
Creditors: amounts falling due after more than one year	19	(2,023)	(11,889)
Deferred grant income	20	(1,450)	(1,538)
Provisions for liabilities	21	(3,901)	(13,513)
Net assets		<u>4,073</u>	<u>37,102</u>
Capital and reserves			
Called up equity share capital	23	617	617
Share premium account	24	10,730	10,730
Revaluation reserve	24	71	71
Capital redemption reserve	24	34	34
Profit and loss account	24	(7,379)	25,650
Total equity		<u>4,073</u>	<u>37,102</u>

The loss for the year ended 30 June 2019 arising in the accounts of the Company is £33,029,000 (2018: profit for the year of £14,367,000).

The financial statements were approved by the board of Directors, signed and authorised for issue on 27 September 2019 and signed on its behalf by:



M Foulger

Director

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

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2019

	Called up equity share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Equity attributable to owners of the parent company £'000	Non- controlling interests £'000	Total equity £'000
Group:								
1 July 2018	617	10,730	71	34	24,432	35,884	-	35,884
<i>Comprehensive income for the period:</i>								
Loss for the period	-	-	-	-	(33,016)	(33,016)	(1)	(33,017)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(33,016)	(33,016)	(1)	(33,017)
30 June 2019	617	10,730	71	34	(8,584)	2,868	(1)	2,867
1 July 2017 (as previously stated)	617	10,730	71	34	11,662	23,114	-	23,114
Prior year adjustment	-	-	-	-	(1,868)	(1,868)	-	(1,868)
1 July 2017 (as restated)	617	10,730	71	34	9,794	21,246	-	21,246
<i>Comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	14,638	14,638	-	14,638
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	14,638	14,638	-	14,638
30 June 2018 (as restated)	617	10,730	71	34	24,432	35,884	-	35,884

NORWICH CITY FOOTBALL CLUB PLC

COMPANY STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2019

	Called up equity share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
Company:						
1 July 2018	617	10,730	71	34	25,650	37,102
<i>Comprehensive income for the period:</i>						
Loss for the period	-	-	-	-	(33,029)	(33,029)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(33,029)	(33,029)
30 June 2019	617	10,730	71	34	(7,379)	4,073
1 July 2017 (as previously stated)	617	10,730	71	34	13,151	24,603
Prior year adjustment	-	-	-	-	(1,868)	(1,868)
1 July 2017 (as restated)	617	10,730	71	34	11,283	22,735
<i>Comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	14,367	14,367
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	14,367	14,367
30 June 2018 (as restated)	617	10,730	71	34	25,650	37,102

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
(Loss)/profit for the financial year	(33,017)	14,638
Gain on disposal of players' registrations	(2,014)	(48,023)
Net interest payable	1,476	502
Taxation (credit)/expense	(6,360)	3,843
Impairment of intangible fixed assets	1,556	9,373
Amortisation of intangible fixed assets	8,814	14,593
Depreciation of tangible fixed assets	1,904	1,746
Loss on disposal of investment	-	52
Decrease in stocks	42	491
Increase in debtors	(1,639)	(48)
Increase in creditors	4,646	1,445
Decrease in deferred grant income	(88)	(88)
(Decrease)/increase in provisions	(8,081)	10,969
Cash (used in)/generated from operations	(32,761)	9,493
Interest paid	(574)	(433)
Taxation paid	(131)	-
Net cash (used in)/generated from operating activities	(33,466)	9,060
Cash flows from investing activities		
Purchase of intangible fixed assets	(10,441)	(20,082)
Purchase of tangible fixed assets	(7,158)	(2,346)
Proceeds from sale of intangible fixed assets	20,621	24,822
Proceeds from sale of investment	-	25
Net cash generated from investing activities	3,022	2,419
Cash flows from financing activities		
Financing element of proceeds from sale of intangible fixed assets	105	148
Financing element of purchase of intangible fixed assets	(46)	(219)
Net proceeds from Bond issue	-	4,849
Repayments of Bond	(3,750)	-
Loans from Directors	-	250
Preference dividends paid	(64)	(70)
Net cash (used in)/generated from financing activities	(3,755)	4,958
(Decrease)/increase in cash during the year	(34,199)	16,437
Cash and cash equivalents at beginning of year	16,055	(382)
Cash and cash equivalents at end of year	(18,144)	16,055

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2019

	2019 £'000	2018 £'000
Cash and cash equivalents comprise:		
Cash at bank and in hand	1,697	16,055
Bank overdrafts	(19,841)	-
	<hr/>	<hr/>
	(18,144)	16,055
	<hr/>	<hr/>

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

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

Norwich City Football Club PLC (the “Club” or the “Company”) is a public limited company limited by shares incorporated in England & Wales under the Companies Act. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Parent Company would be identical;
- no statement of cash flows has been presented for the Parent Company;
- disclosures in respect of the Parent Company’s financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The Company has recorded a prior period correction of a VAT liability pertaining to the year ended 30 June 2017. The restatement has increased Creditors: amounts falling due within one year, and therefore reduced net assets at 30 June 2017 and 30 June 2018 by £1.868m. There is no impact on the presented consolidated statements of comprehensive income. The VAT liability correction was settled during the year ended 30 June 2019.

(b) Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios and material uncertainties in relation to income and costs, including English Premier League retention and the risk of relegation.

Under all of these scenarios, based on these cash flow forecasts and expectations for player trading, compliance with League rules and regulations and the availability of future external finance as required, the Club can meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these financial statements.

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. 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 results of acquired subsidiary undertakings are included in the consolidated statement of comprehensive income from the date of which control is obtained.

(d) Turnover

Turnover comprises net gate receipts and ticket sales, broadcasting and media revenue, catering, commercial, UEFA solidarity & prize money, and other 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 receipts and ticket sales are recognised when the match is played; sports contracts, television and sponsorship revenue are recognised in the season and financial year to which the income relates, or 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 FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and are subsequently held at amortised cost.

The Group's player creditors and player receivables are discounted on initial recognition. The unwinding of the discount is calculated on the effective interest rate method and is recognised in finance costs and finance income respectively.

Financial instruments which do not meet the definition of "basic" are classified as "other" financial instruments and, subsequent to initial recognition, are generally measured at fair value. Gains or losses on such financial instruments, which include forward foreign currency contracts used time to time to mitigate foreign exchange risk on specific player purchase and sales, are recognised in finance income or finance costs respectively. In situations where financial instruments are classified as "other" due to the existence of a variable return to the holder which does not meet the criteria for classification as "basic", and the non-financial variable affecting the return to the holder is specific to the Club (for example the achievement of promotion), the financial instrument is accounted for on an amortised cost basis as with other "basic" financial instruments.

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 statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. 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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if there is an indication of a significant change since the last reporting date.

(g) Investment property

Investment property, which includes the relevant share of property held for mixed use, is carried at fair value derived from current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 ACCOUNTING POLICIES (CONTINUED)

(h) Leases

Rentals applicable on operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of comprehensive income 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.

(i) Stocks

Stocks are valued at the lower of weighted average cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

(j) Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with FRS 102, provision is made for deferred taxation liabilities in respect of all timing differences that have originated but not reversed by the statement of financial position date. Deferred taxation assets are recognised to the extent that it is more likely than not that they will be recovered through utilisation against future taxable profits. Deferred taxation balances are not discounted.

(k) Deferred grant income

Grants relating to freehold buildings are being released to the statement of comprehensive income on a straight line basis over 50 years or over the remaining useful life of the building if less.

(l) Pensions

The Group operates a defined contribution pension scheme and contributes to certain colleagues' personal pension schemes. The pension charge represents the amount payable by the Group to the fund in respect of the period.

The Group is one of a number of participating employers in the Football League Limited Pension and Life Assurance Scheme. The Group is unable to identify its share of the assets and liabilities of the scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme. Full provision has been made for the additional contributions that the Group has been requested to pay to help fund the scheme deficit.

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

(m) Transfer income and intangible assets

Transfer income is credited to the statement of comprehensive income, after deducting the net book value of the relevant player's registration. In accordance with FRS 102, transfer fees, transfer levies payable and agents' fees are capitalised as intangible assets at their present value, where payments are deferred. Amortisation is provided at rates calculated to write off the cost of the transfer over the duration of the player's contract, with contract term extensions affecting prospective amortisation charges. Payments, which are contingent on the appearances and/or performance of a player, are not recognised as provisions until the events crystallising such payments are considered probable.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 ACCOUNTING POLICIES (CONTINUED)

(n) Loan players

Loans out

Loan player income receivable is included in Other Operating Income in the Statement of Comprehensive Income.

Other employment costs include the Club's contribution to a loaned out player's salary whereby the player's contract temporarily transfers to the loaning club for the duration of the loan period.

Loans in

Loan player wages and salaries are included in other employment costs.

(o) Impairment

The Directors do not consider it possible to determine the value in use of an individual player in isolation, as that player cannot generate cash flows on his own. However, in circumstances where it is apparent that as at the period end the player would not be available for selection to play for the Club, the player is taken outside of the wider cash generating unit and valued on a recoverable amount basis, being the Directors' best estimate of the player's fair value less cost to sell, with any resulting impairment charge being made in operating expenses.

Examples of such circumstances include: the player falling out of favour with the senior football management, career threatening injury and a clear intention on behalf of the player to leave the Club. The Directors' assessment of fair value will be based on:

- in the case of a player who has fallen out of favour with senior football management or intends to leave the Club, either the agreed selling price if a transfer has been agreed subsequent to the year end or, if a transfer has not yet been agreed, the Directors' best estimate of disposal value taking into account relevant transfer market information; or
- in the case of a player who has suffered a career threatening injury, the value attributed by the Club's insurers.

(p) Provisions

The Club records provisions in situations where it has an obligation at the reporting date as a result of a past event, it is probable that a settlement requiring the transfer of economic benefit will be made and a reliable estimate of the obligation can be made. Where such obligations cannot be estimated reliably, they are disclosed as contingent liabilities.

Provisions are recorded for matters such as onerous player contracts, property-related works and deferred and other employment taxation liabilities.

(q) Foreign exchange

In accordance with FRS 102, foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the statement of financial position date. Any differences are taken to the statement of comprehensive income.

The consolidated financial statements are presented in pounds sterling, which is the Company's functional currency and the Group's presentation currency.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the Directors have made the following judgements:

(a) Player impairments

The Directors assess whether, at the period end, players are available for selection to play for the Club. In circumstances where it is apparent that the player would not be available to play for the Club and has not yet been sold (e.g. fallen out of favour with senior football management or suffered a career-threatening injury), that player is valued on a "recoverable amount" basis which is based on the Directors' best estimate of his valuation at the next available transfer window. Any resulting impairment charge is recorded within operating expenses.

(b) Onerous contracts

The Directors review all contracts, including primarily those of the players, and determine whether the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If they do, an onerous contract provision is created.

Specifically in relation to players, if a player's valuation has been impaired (as described in (a) above), and that player is not expected to be selected to play for the club, an onerous contract provision will be made for the period of time in which the Directors reasonably expect the player to remain at the Club. If a player in this category has been loaned out to another club, contributions made by that club will be netted off the Club's contractual obligations when calculating the onerous contract provision.

(c) Estimation of provisions

The Directors review known future property-related obligations, and estimate the cost of these obligations after giving due consideration to the scope of work required. A provision is made, based on this cost estimate.

Other provisions are recorded where, in the Directors' judgement, there is sufficient reliable information to do so and where, again in the opinion of the Directors, a liability is considered likely to crystallise. The measurement of such liabilities is typically subject to estimation uncertainty due to the range of different possible outcomes.

(d) Deferred taxation

In line with FRS 102, provision is made for deferred taxation liabilities in respect of all timing differences that have originated but not reversed by the statement of financial position date. In respect of potential deferred taxation assets, the Directors assess whether it is more likely than not that they will be recovered through utilisation against future taxable profits. If they deem this the case, the Directors will recognise the deferred taxation asset.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

3 TURNOVER

Turnover in respect of the business operations comprised:

	2019 £'000	2018 £'000
Gate receipts and ticket sales	9,700	9,803
Broadcasting (FA & League income)	9,351	38,499
Media	242	223
Catering	4,304	4,085
Commercial	8,466	7,228
UEFA Solidarity & Prize Money	1,115	1,085
Other income	525	744
	<hr/>	<hr/>
Total turnover	33,703	61,667
	<hr/>	<hr/>

4 OPERATING EXPENSES

Total operating expenses comprised:

	2019 £'000	2018 £'000
Staff costs (note 7)	54,441	54,252
Depreciation of tangible fixed assets (note 14) - owned by the Group	1,904	1,746
Auditor's remuneration:		
- audit of the Company's financial statements	33	14
- other services - audit of the Company's subsidiaries	-	5
- tax services	194	176
- other accounting services	15	4
Operating lease rentals	214	520
Other operating expenses	9,198	12,022
	<hr/>	<hr/>
	65,999	68,739
Amortisation and impairment of intangible fixed assets (note 13)	10,370	23,966
	<hr/>	<hr/>
Total operating expenses	76,369	92,705
	<hr/>	<hr/>

The total charge resulting from the impairment of player registrations was £1.6m (2018: £9.4m).

5 OTHER OPERATING INCOME

	2019 £'000	2018 £'000
Loan player income	2,731	2,025
Donations	20	25
	<hr/>	<hr/>
	2,751	2,050
	<hr/>	<hr/>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

6 GAIN ON DISPOSAL OF PLAYERS' REGISTRATIONS

	2019 £'000	2018 £'000
Gain on disposal of players' registrations	2,014	48,023

7 STAFF COSTS

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

	Group & Company	
	2019 £'000	2018 £'000
Wages and salaries	43,658	46,246
Other employment costs (including loan players)	5,806	2,189
	49,464	48,435
Social security costs	4,754	5,642
Pension costs	223	175
	54,441	54,252

Included in staff costs is a charge of £3.2m (2018: £12.2m) relating to the contracts of certain players whose registration value is impaired and whose contracts have been classified as onerous. During the year ended 30 June 2019 £6.7m of player salaries were charged against brought forward provisions and are therefore not included above, and £4.1m was credited to wages and salaries where previously impaired players' contracts with the club reached their conclusion and the associated onerous contract provisions were released accordingly. Promotion bonuses are included in wages and salaries above.

The average monthly number of regular employees, including Directors, during the year ended 30 June 2019 was as follows:

	Number of employees	
	2019	2018
Directors	5	7
Football (including academy and football support staff)	139	133
Other	148	151
	292	291

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 DIRECTORS' REMUNERATION

	2019 £'000	2018 £'000
Total Directors		
Aggregate emoluments, fees and benefits	472	100
Contributions to money purchase pension schemes	8	8
	<u>480</u>	<u>108</u>

	2019 £'000	2018 £'000
Highest paid Director		
Aggregate emoluments, fees and benefits	472	100
Contributions to money purchase pension schemes	8	8
	<u>480</u>	<u>108</u>

9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £'000	2018 £'000
Exchange rate gains	67	-
Bank interest receivable	21	21
Finance income on unwinding of discount on player receivables	987	662
	<u>1,075</u>	<u>683</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

10 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £'000	2018 £'000
Bank loans and overdrafts	38	134
Other similar charges	62	84
Exchange rate losses	-	131
	<u>100</u>	<u>349</u>
Pension liability (note 26)	389	46
Finance charges on shares classified as liabilities: preference share dividends	64	70
Finance charges on unwinding of discounts on player liabilities	275	617
Other interest payable	1,723	103
	<u>2,551</u>	<u>1,185</u>

11 DIVIDENDS ON SHARES CLASSIFIED AS FINANCIAL LIABILITIES

	2019 £'000	2018 £'000
Dividend payable		
'A' preference shares	1	1
'B' preference shares	63	63
	<u>64</u>	<u>64</u>

12 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

a. Analysis of tax credit/(charge) for the year ended 30 June 2019:

	2019 £'000	2018 £'000
Current tax		
UK Corporation tax credit/(charge) on (loss)/profit for the year ended 30 June 2019	188	(4,969)
Adjustments in respect of prior periods	4,447	-
	<u>4,635</u>	<u>(4,969)</u>
Deferred tax (note 12c)		
Current period	6,225	1,126
Adjustments in respect of prior periods	(4,500)	-
	<u>1,725</u>	<u>1,126</u>
Total tax credit/(charge)	<u>6,360</u>	<u>(3,843)</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

b. Factors affecting the tax charge for the year ended 30 June 2019:

The effective rate of tax is different to the headline rate of corporation tax. The differences are explained below:

	2019 £'000	2018 £'000
(Loss)/profit on ordinary activities before tax	(39,377)	18,481
At standard rate of corporation tax in the UK of 19% (2018: 19%)	(7,482)	3,511
Expenses not deductible for tax purposes (net of income not taxable)	71	58
Fixed asset differences	290	159
Losses carried back	176	-
Income not taxable	(17)	-
Adjustment in respect of prior periods	53	14
Adjustment to deferred tax rates	538	134
Other temporary timing differences	11	(33)
	(6,360)	3,843

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) have been substantively enacted. This will impact the group's future tax charge accordingly.

c. Analysis of deferred tax asset/(provision):

	Tangible fixed asset timing differences £'000	Intangible fixed asset timing differences £'000	Other short term timing differences £'000	Tax losses carried forward £'000	Total £'000
At 1 July 2018	(381)	(2,210)	1,041	-	(1,550)
Credited/(charged) to profit or loss	87	(3,284)	(832)	5,754	1,725
At 30 June 2019	(294)	(5,494)	209	5,754	175

The Group's deferred tax liability in respect of rolled over gains on disposal of player registrations partly arose in the prior year and increased in the current year and the liability is expected to crystallise on the disposal of certain players' registrations, subject to the Group's ability to further defer future taxable gains on disposal.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13 INTANGIBLE FIXED ASSETS

Group and Company	Players' registrations £'000
<i>Cost</i>	
At 1 July 2018	51,218
Additions	10,320
Disposals	(19,415)
	<hr/>
At 30 June 2019	42,123
	<hr/>
<i>Amortisation</i>	
At 1 July 2018	36,807
Charge for the year	8,814
Disposals	(19,481)
Impairments	1,556
	<hr/>
At 30 June 2019	27,696
	<hr/>
Net book value at 30 June 2019	14,427
	<hr/>
Net book value at 30 June 2018	14,411
	<hr/>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

14 TANGIBLE FIXED ASSETS

	Assets in the course of construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Investment property £'000	Total £'000
Group						
<i>Cost or valuation</i>						
At 1 July 2018	2,861	47,021	10,098	11	765	60,756
Additions	870	3,288	1,851	-	-	6,009
Transfers between classes	(3,731)	3,106	625	-	-	-
At 30 June 2019	-	53,415	12,574	11	765	66,765
<i>Depreciation</i>						
At 1 July 2018	-	22,973	8,409	11	-	31,393
Charge for the year ended 30 June 2019	-	1,002	902	-	-	1,904
At 30 June 2019	-	23,975	9,311	11	-	33,297
Net book value at 30 June 2019	-	29,440	3,263	-	765	33,468
Net book value at 30 June 2018	2,861	24,048	1,689	-	765	29,363

The net book value of freehold land and buildings comprises:

	2019 £'000	2018 £'000
Assets at deemed cost		
Land (not depreciated)	2,113	2,113
Assets at cost		
Land (not depreciated)	1,325	1,325
Buildings and infrastructure	26,002	20,610
	29,440	24,048

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

14 TANGIBLE FIXED ASSETS (CONTINUED)

Company	Assets in the course of construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Investment property £'000	Total £'000
<i>Cost or valuation</i>						
At 1 July 2018	2,861	47,190	10,098	11	765	60,925
Additions	870	3,288	1,851	-	-	6,009
Transfers between classes	(3,731)	3,106	625	-	-	-
At 30 June 2019	-	53,584	12,574	11	765	66,934
<i>Depreciation</i>						
At 1 July 2018	-	22,562	8,409	11	-	30,982
Charge for the year ended 30 June 2019	-	1,002	902	-	-	1,904
At 30 June 2019	-	23,564	9,311	11	-	32,886
Net book value at 30 June 2019	-	30,020	3,263	-	765	34,048
Net book value at 30 June 2018	2,861	24,628	1,689	-	765	29,943

The net book value of freehold land and buildings comprises:

	2019 £'000	2018 £'000
Assets at adopted valuation		
Land (not depreciated)	1,917	1,917
Assets at cost		
Land (not depreciated)	2,185	2,185
Buildings and infrastructure	25,918	20,526
	30,020	24,628

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:

	2019 £'000	2018 £'000
Cost and net book value	1,846	1,846

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

14 TANGIBLE FIXED ASSETS (CONTINUED)

Investment properties

The Company's investment property was valued at open market value on transition to FRS 102 at 1 July 2016 using actual contracted rental information and observed local commercial property yields. In the view of the Directors, having given the matter appropriate consideration, this valuation remains appropriate as at 30 June 2019.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	Group & Company	
	2019 £'000	2018 £'000
Historic cost	745	745
Accumulated depreciation and impairments	(178)	(174)
	<u>567</u>	<u>571</u>

15 FIXED ASSET INVESTMENTS

	Company Investment in subsidiary undertakings £'000
<i>Cost</i>	
At 1 July 2018	940
Additions	-
	<u>940</u>
At 30 June 2019	940
<i>Amounts written off</i>	
At 1 July 2018	940
	<u>940</u>
At 30 June 2019	-
Net book value at 30 June 2019	-
Net book value at 30 June 2018	-

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

15 FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary undertakings

The subsidiary undertakings, which were incorporated in England and Wales (unless otherwise stated) and are included within the consolidated financial statements at 30 June 2019, 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%	Investment holding company
Norwich City FC Regional Development Programme Ltd*	75%	Provision of football training
Canary Sports LLC*	100%	Provision of soccer schools in Florida, USA

* incorporated during the year

The registered address for all subsidiary companies is Carrow Road, Norwich, NR1 1JE, unless otherwise stated.

Canary Sports LLC is incorporated in the United States of America. The registered address for Canary Sports LLC is 100 South Ashley Drive, Suite 400, Tampa, Florida 33602.

16 STOCKS

	Group and Company	
	2019	2018
	£'000	£'000
Goods for resale	460	502

The amount of stocks recognised as an expense in the statement of comprehensive income during the year was £2.3 million (2018: £2.6 million). A stock provision of £nil was recognised in the year (2018: £0.5 million).

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

17 DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	8,845	7,417	8,845	7,417
Player debtors	24,618	42,363	24,618	42,363
Other debtors	694	388	611	304
Amounts owed by group undertakings	-	-	8	-
Prepayments and accrued income	797	892	797	892
Deferred tax asset (note 12)	175	-	175	-
	35,129	51,060	35,054	50,976

Included in player debtors (Group & Company) above are amounts totalling £6.80m (2018: £22.54m) falling due after more than one year.

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£'000	As restated £'000	£'000	As restated £'000
4.5% 'B' preference shares of £1 each (note 23)	1,419	-	1,419	-
Bank overdrafts	19,841	-	19,841	-
Trade creditors	589	2,422	589	2,422
Player creditors	12,535	8,739	12,535	8,739
Receipts in advance	14,264	10,318	14,264	10,318
Other taxes and social security	4,573	13,254	4,573	13,254
Corporation tax	204	4,970	179	4,944
Dividends payable on shares classified as financial liabilities	64	64	64	64
Other creditors	395	209	395	209
Amounts owed to subsidiary undertakings	-	-	654	654
Accruals and deferred income	16,861	7,377	16,726	7,241
Directors' loans	250	-	250	-
Other loans	2,750	-	2,750	-
	73,745	47,353	74,239	47,845

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 1 January 2020.

Other loans represents certain amounts remaining payable in relation to a Bond issue undertaken in April 2018 to raise funds for facilities at the Company's training ground. These amounts are due for repayment within one year.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Company	
	2019	2018
	£'000	£'000
5.25% 'A' preference shares of £1 each (note 23)	10	10
4.5% 'B' preference shares of £1 each (note 23)	-	1,419
Accruals and deferred income	688	303
Player creditors	1,325	5,058
Directors' loans	-	250
Other loans	-	4,849
	2,023	11,889

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

	Group and Company	
	2019	2018
	£'000	£'000
In one to two years		
4.5% 'B' preference shares of £1 each (note 23)	-	1,419
Accruals and deferred income	688	132
Player creditors	1,129	4,055
	1,817	5,606

	Group and Company	
	2019	2018
	£'000	£'000
In two to five years		
Accruals and deferred income	-	171
Player creditors	196	1,003
Directors' loans	-	250
Other loans	-	4,849
	196	6,273

	Group and Company	
	2019	2018
	£'000	£'000
In more than five years		
5.25% 'A' preference shares of £1 each	10	10

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

20 DEFERRED GRANT INCOME

	Group and Company	
	2019	2018
	£'000	£'000
Deferred grant income		
At 1 July 2018	1,538	1,626
Credited to statement of comprehensive income	(88)	(88)
At 30 June 2019	1,450	1,538

21 PROVISION FOR LIABILITIES

Group:

	2019				
	Onerous contract	Deferred tax	Property works	Other taxation	Total
	£'000	£'000	£'000	£'000	£'000
At 1 July 2018	11,228	1,550	1,214	735	14,727
Utilisation of provision	(6,738)	(1,550)	(19)	(300)	(8,607)
Release of provision	(4,195)	-	-	-	(4,195)
New provision	3,171	-	-	-	3,171
At 30 June 2019	3,466	-	1,195	435	5,096

	2018				
	Onerous contract	Deferred tax	Property works	Other taxation	Total
	£'000	£'000	£'000	£'000	£'000
At 1 July 2017	-	2,676	1,473	735	4,884
Utilisation of provision	-	(1,126)	(259)	-	(1,385)
New provision	11,228	-	-	-	11,228
At 30 June 2018	11,228	1,550	1,214	735	14,727

For the year ended 30 June 2019

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For the year ended 30 June 2019

22 FINANCIAL INSTRUMENTS

The Group's and Company's financial instruments may be analysed as follows:

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Financial assets				
Basic financial assets that are measured at amortised cost	36,051	66,224	35,976	66,139
Financial liabilities				
Basic financial liabilities that are measured at amortised cost	(54,287)	(18,746)	(55,860)	(18,612)
	<u>(18,236)</u>	<u>47,478</u>	<u>(19,884)</u>	<u>47,527</u>

Basic financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, player debtors and other debtors.

Basic financial liabilities measured at amortised cost comprise bank overdrafts, Directors' loans, trade creditors, player creditors, certain other creditors and accruals.

Impairment losses on financial assets related to credit losses on trade debtors totalling £nil in the year (2018: £0.6m).

23 CALLED UP SHARE CAPITAL

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
Equity interest		
616,913 (2018: 616,913) ordinary shares of £1 each	617	617
Interest in shares classified as financial liabilities		
9,675 (2018: 9,675) 5.25% 'A' preference shares of £1 each	10	10
14,186 (2018: 14,186) 4.5% 'B' preference shares of £1 each	14	14
Total interest in shares classified as financial liabilities	<u>24</u>	<u>24</u>

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.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

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23 CALLED UP SHARE CAPITAL (CONTINUED)

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 earliest redemption date is January 2020, the shares have been classified as 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.

24 RESERVES

Share capital: The share capital account represents the nominal value of the Company's shares.

Share premium account: The share premium account includes the premium on issue of equity shares, net of any issue costs.

Revaluation reserve: The revaluation reserve represents the accumulated unrealised gains and losses in respect of revaluations of assets held by the Group.

Capital redemption reserve: The capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.

Profit and loss account: The profit and loss account represents cumulative profits or losses of the Group, net of dividends paid and other adjustments.

25 CONTINGENT LIABILITIES

Additional payments amounting to a maximum of £30,285,882 (2018: £22,478,323) will become payable if certain conditions in transfer and player contracts at 30 June 2019 are fulfilled. Additional signing on fees up to a maximum of £2,576,025 (2018: £1,701,618) will become payable to players subject to the terms and conditions of their contracts being fulfilled.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

26 PENSION SCHEMES

Money purchase pension scheme

During the year the Group participated in a money purchase 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 ended 30 June 2019 amounted to £215,000 (2018: £143,000). At 30 June 2019 there were outstanding contributions of £42,000 (2018: £26,000).

Employees' personal pension schemes

During the year the Group made contributions to certain employees' personal pension schemes. Contributions to these schemes during the year ended 30 June 2019 amounted to £8,000 (2018: £31,000). At 30 June 2019 there were outstanding contributions of £nil (2018: £3,000).

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 2017, 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. Interest is charged by the pension scheme on the outstanding amount at approximately 6% per annum and interest of £389,000 (2018: £46,000) was payable during the year ended 30 June 2019. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately six (2018: four) years to May 2025. The total amount payable to the pension scheme at 30 June 2019, including accumulated interest, was £688,000 (2018: £766,000) and is included in accruals and deferred income.

27 OPERATING LEASE COMMITMENTS

The Group and Company had total commitments under non-cancellable operating leases as set out below:

	2019		2018	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date:				
Within one year	190	277	190	343
Between one and two years	190	153	190	58
Between two and five years	-	58	-	-
	<u>380</u>	<u>488</u>	<u>380</u>	<u>401</u>

28 RELATED PARTY TRANSACTIONS

Key management personnel (including Directors') compensation is as follows:

	2019 £'000	2018 £'000
Aggregate emoluments	2,348	761
Pension scheme	72	60

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

28 RELATED PARTY TRANSACTIONS (CONTINUED)

Loans to Directors and their connected companies

At 30 June 2019, the following balances were outstanding on loans advanced to the Group and Company:

	Group and Company	
	2019	2018
	£'000	£'000
Ms D A Smith and E M S Wynn Jones	250	250

Transactions with Directors and their companies

	Group and Company Sales		Group and Company Purchases	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Ms D A Smith and E M S Wynn Jones (joint)	3	1	-	-
NC Internet Limited (Ms D A Smith and E M S Wynn Jones)	-	-	27	-
M M Foulger	2	22	-	-
Banham Poultry Limited (M M Foulger)	-	4	-	-

At 30 June 2019 and 30 June 2018 the following balances (inclusive of value added tax) were outstanding:

	Group and Company Sales ledger		Group and Company Purchase ledger	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Ms D A Smith and E M S Wynn Jones (joint)	3	-	-	-
M M Foulger	1	-	-	-

In addition, interest accruing to Directors in connection with the Directors' investments in the Canaries Bond totalled £13,000 for the year ended 30 June 2019 (2018: £nil).

29 CONTROL

At 30 June 2019 Ms D A Smith and her husband and co-Director, E M S Wynn Jones together owned 53% (2018: 53%) of the issued capital of the Company. The Board has therefore concluded that ultimate control of the Company vests in these related parties.

30 POST BALANCE SHEET EVENTS

Transfer of players' registrations

Subsequent to the year end the Group has acquired the registrations of players J Drmic, S Byram and R Bushiri, along with P Roberts, R Fährmann and I Amadou on season-long loans.

The Group is committed to payments of £6.2m in respect of these transactions with further payments due of £4.7m dependent on Club and/or player performance.