

ASTON VILLA FOOTBALL CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS 31 MAY 2007

Company Registration No 3375789
Registered in England & Wales

THURSDAY



A01FJXEK

A01

21/02/2008

175

COMPANIES HOUSE

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

CONTENTS

	Page
Officers and financial advisers	1
Directors' Report	2
Statement of directors' responsibilities	5
Independent auditors' report	6
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr R J Fitzgerald
Mr M Keenan
Mr R Russell
Mr PJ Faulkner

Secretary

Mr R Russell

Registered office

Villa Park
Birmingham
B6 6HE

Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 May 2007

Principal activities

The company is engaged in running the commercial activities of a professional football club in the English Premier League and there has been no significant change therein during the year

On 10 November 2006, Aston Villa Limited and its subsidiaries were acquired by Reform Acquisitions Limited, a company registered in England and Wales

Business review

The first season under the new football manager resulted in improved team performance culminating in a final league place of 11th compared to 16th in the previous season. Average League attendances rose from 34,112 in 2005/06 to 36,238 in the season under review. The Club was involved in 4 cup competition matches (2006: 7 matches) which were all staged at other grounds.

The number of Aston Villa's televised league matches increased from 11 live broadcasts last season to 13 in 2006/07.

Turnover for the year amounted to £52.7m, representing an increase of 8.5% over that achieved last year of £48.5m. The main constituents of this increase were league gate receipts of £1.0m, Premier League broadcasting facility fees of £0.6m and a £2.4m increase in the merit award for finishing 11th.

Operating expenses amounted to £71.5m (2006: £53.8m), an increase of £17.7m. This increase includes additional costs determined by reference to trading agreements with other companies of the group and reflects the costs of improved salary packages required to attract top professionals to the football club. In addition, the new owners of the club have incurred cost in reviewing and seeking to improve the future operational activities of the company.

The operating loss for the year, before interest and taxation, amounting to £18.8m (2006: £5.5m), has been deducted from reserves and consequently increasing the shareholders' deficit.

Net liabilities at the year end were £36.0m (2006: £16.2m). The company holds letters of financial support by the company's controlling party, Reform Acquisitions Limited.

The directors do not recommend the payment of a final dividend which results in no dividend being paid for the year (2006: £nil).

The manager continued the development of the team after the year end through the 2007 summer transfer window by acquiring the registrations of 7 new players and in releasing several players to other clubs. The financial implications of these transactions, which are dealt with by another group company, are determined by the inter-company agreement in force. The acquisition of players and their related payroll costs are deemed a core activity risk and, whilst assisting the manager in improving the playing squad, the directors are mindful of the pitfalls that are inherent in this area of the business.

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

DIRECTORS' REPORT (continued)

A complete review of the commercial activities of the company has been carried out, in conjunction with a new branding and marketing exercise, with a view to improving income streams, in particular, income from the club's media and broadcasting operations, and from agreements with major commercial partners. As a result of these activities, Nike have been appointed kit suppliers to the club. Various initiatives relating to supporters and ticketing have been considered and have been implemented for the 2007/08 season.

The directors have reviewed operational matters, and investments in the latest technologies in smart card entry systems and electronic point of sale systems have been implemented for the new season.

Risks are also reported on by the FA Premier League at meetings of representatives of other League clubs, and Aston Villa Football Club management regularly attends meetings.

Key performance indicators (KPIs)

As a wholly owned subsidiary of the Reform Acquisitions Limited group, the directors do not consider that there are any informative KPIs for the company. A description of KPIs for the RAL group are included in the RAL directors' report.

Financial risk management

The financial risk management objectives and policies of the group are fully described in the 2007 annual report of the holding company, Reform Acquisitions Limited.

Directors

The directors of the company who held office during the year were

Mr R J Fitzgerald	(appointed 12 April 2007)
Mr M Keenan	(appointed 5 October 2006)
Mr R Russell	(appointed 5 October 2006)
Mr P J Faulkner	(appointed 12 April 2007)

Mr S M Stride	(resigned 31 May 2007)
Mr H D Ellis	(resigned 19 September 2006)
Mr D M Owen	(resigned 19 September 2006)
Mr A J Hales	(resigned 19 September 2006)
Mr P D Ellis	(resigned 19 September 2006)

Directors' indemnities

The company has in place an appropriate level of directors and officers insurance cover in respect of legal action against its directors and officers.

Supplier payment policy

The company seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment which will be agreed with suppliers at that date. The payment to all suppliers is made by another group company and the group will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders. At 31 May 2007 the number of days purchases by the company outstanding was 58 (2006: 56).

Charitable and political donations

All fund raising events are dealt with by the Aston Villa Charitable Trust which is registered with the Charities Commission. There were no political contributions (2006: £Nil).

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

DIRECTORS' REPORT (continued)

Employment policies

The company's employment policies are designed to retain and motivate employees at all levels. Employees are, within the bounds of commercial confidentiality, kept informed of matters that affect the current performance and future prospects of the company and are of interest to them as employees.

The company promotes and operates an equal opportunities policy to ensure that no member of staff or job applicant receives less favourable treatment on the grounds of gender, race, ethnic origin, age or disability. Every possible step is taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job-related criteria.

When recruiting and retaining disabled employees, the company will be guided by the principles and duties set out in the Disability Discrimination Act and its associated Codes of Practice.

Auditors and disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware and the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

A resolution to appoint PricewaterhouseCoopers LLP as independent auditors will be proposed at the Annual General Meeting.

This report was approved by the Board on 17 December 2007.



Mr R Russell
SECRETARY

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Annual Report 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The statements are required by law to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and 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 company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTON VILLA FOOTBALL CLUB LIMITED

We have audited the financial statements of Aston Villa Football Club Limited for the year ended 31 May 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham 21 December 2007

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

PROFIT AND LOSS ACCOUNT

	Note	2007 £	2006 £
Turnover	2	52,674,140	48,510,777
Operating expenses	3	(71,501,874)	(53,751,889)
Operating loss	3	(18,827,734)	(5,241,112)
Finance income	5	35,982	22,289
Finance costs	6	(1,010,809)	(293,361)
Loss on ordinary activities before taxation		(19,802,561)	(5,512,184)
Tax charge/(credit) on loss on ordinary activities	7	-	-
Loss for the year	17	(19,802,561)	(5,512,184)

All the above figures relate to continuing operations

The company has no recognised gains and losses other than those included above, and therefore no separate statement of recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

ASTON VILLA FOOTBALL CLUB LIMITED
Annual Report and Financial Statements
for the year ended 31 May 2007

BALANCE SHEET

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	8	3,064,215	1,720,025
Current assets			
Stocks	9	230,100	307,270
Debtors	10	18,560,544	13,351,836
Cash at bank and in hand		43,872	50,954
		18,834,516	13,710,060
Creditors – amounts falling due within one year	11	(49,684,827)	(31,433,707)
Net current liabilities		(30,850,311)	(17,723,647)
Total assets less current liabilities		(27,786,096)	(16,003,622)
Creditors – amounts falling due after more than one year	12	(8,257,846)	(237,759)
Net liabilities		(36,043,942)	(16,241,381)
Capital and reserves			
Called up share capital	16	1	1
Profit and loss reserve	17	(36,043,943)	(16,241,382)
Total shareholders' deficit	18	(36,043,942)	(16,241,381)

The financial statements on pages 8 to 18 were approved by the Board of Directors on 21 December 2007

Signed on behalf of the Board of Directors



R Russell
Director

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Basis of accounting

These financial statements have been prepared on the going concern basis, on the basis of a letter of support received from Reform Acquisitions Limited, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies adopted, which have been applied consistently in dealing with items which are considered material, are set out below.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts due for goods and services, excluding transfer fees receivable in respect of the disposal of players' registrations, provided in the normal course of business. It is stated net of discounts and value added tax.

Turnover is recognised as follows:

- (i) Match ticket income is recognised over the period of the English football season, covering the period from August to May each year, as home matches are played,
- (ii) Fixed elements of broadcasting contracts are taken in proportion to the number of league matches played, home and away, compared to the total number of league matches playable in the football season. Broadcasting facility fees are accounted for when earned,
- (iii) The merit award is taken when final league position is known at the end of the financial year,
- (iv) Merchandising, travel and catering revenues are recognised on an earned basis,
- (v) Revenue from royalties, executive box rentals and sponsorships are recognised over the duration of their respective contracts.

Deferred grant income

Grants and donations received in respect of safety work and ground improvements are credited to deferred grant income and are released to the profit and loss account over the anticipated useful life of assets to which they relate.

Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and any provision for impairment. Depreciation is calculated on a straight-line basis to write down the assets to their estimated residual value over the anticipated useful lives at the following annual rates:

Plant and equipment	10-33%
Motor vehicles	25%

Impairment of tangible assets

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

Stocks

Stock, which comprises goods held for resale, is valued at the lower of cost and net realisable value.

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Taxation

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

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

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

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

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

Long term contracts

Turnover and profit is recognised on long term contracts by including in the profit and loss account turnover and related costs as the terms of the contract is fulfilled

Pensions

Payments to various defined contribution retirement schemes are charged as an expense as they fall due

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at constant rates on the carrying amounts

Cash flow

Aston Villa Football Club Limited are exempt from preparing a cash flow statement under Financial Reporting Standard 1 on the basis that its parent company, Reform Acquisitions Limited, prepares a consolidated cash flow statement

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)**2 Turnover**

	2007	2006
	£	£
Turnover comprises		
Matchday	18,420,643	17,886,531
Media	23,513,705	21,176,060
Commercial	10,739,792	9,448,186
	52,674,140	48,510,777

The constituents of each component are as follows

Matchday – Match tickets, executive box rentals, programme sales, matchday sponsorship and hospitality

Media – Distributions from the FA Premier League broadcasting agreements, including the merit award, cup competition broadcasting rights and local radio broadcasting

Commercial – Major sponsorship contracts, merchandising, royalties, conference and banqueting and all other revenue sources

The company only recognises one segment, being professional football operations, and one main geographical segment, being the United Kingdom, therefore no further segmental information is provided

3 Loss on ordinary activities before taxation	2007	2006
	£	£
The loss on ordinary activities before taxation has been arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	1,003,828	920,347
Staff costs (note 4)	6,389,458	6,281,250
Auditors' remuneration for audit services	43,100	43,000
Auditors remuneration for assurance and tax services	-	55,000

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Staff costs	2007 Number	2006 Number
Average number of employees		
Directors	4	5
Commercial, merchandising and operational	122	119
Maintenance and administration	77	74
Community projects	8	8
	211	206

	2007 £	2006 £
Remuneration		
Wages and salaries	5,702,477	5,555,024
Social security costs	475,344	435,167
Pension costs	211,637	194,418
	6,389,458	6,184,609

	2007 £	2006 £
Directors' remuneration		
Emoluments	242,785	-
Company contribution to money purchase schemes	3,300	-
	246,085	-

Company contribution to money purchase schemes relate to one director

	2007 £	2006 £
Remuneration of the highest paid director		
Emoluments	125,398	-
Company contribution to money purchase schemes	3,300	-
	128,698	-

The above emoluments relate to the four directors that were appointed during the year. The emoluments for the other five directors are disclosed in the financial statements of Aston Villa Limited.

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Finance income	2007	2006
	£	£
Other interest receivable	35,982	22,289

6 Finance costs	2007	2006
	£	£
Bank interest payable	1,008,942	293,268
Other interest payable	1,867	93
	1,010,809	293,361

7 Tax	2007	2006
	£	£
Current tax		
UK corporation tax Current year	-	-
Prior year	-	-
	-	-

Deferred tax		
UK		
Current year	-	-
Prior year	-	-
	-	-

Corporation tax is calculated at 30% (2006 30%) of the estimated assessable profit for the year

The charge/(credit) for the year can be reconciled to the loss per the income statement as follows

	2007	2006
	£	£
Loss on ordinary activities before tax	(19,802,561)	(5,512,184)
Tax at the UK corporation tax rate of 30% (2006 30%)	(5,940,768)	(1,653,655)
Expenses not deductible for tax purposes	3,000	17,251
Capital allowances in excess of depreciation	(139,767)	276,104
Other timing differences	39,392	
Group relief surrendered for nil payment	1,490,462	2,730
Unrelieved tax losses carried forward	4,547,651	1,357,570
Tax expense/(credit) for the year	-	-

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)**8 Tangible fixed assets**

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1 June 2006	9,180,475	282,129	9,462,604
Additions	2,151,048	196,970	2,348,018
Disposals	(228,287)	(3,000)	(231,287)
At 31 May 2007	11,103,236	476,099	11,579,335
Depreciation			
At 1 June 2006	7,505,475	237,104	7,742,579
Charge for the year	959,055	44,773	1,003,828
Disposals	(228,287)	(3,000)	(231,287)
At 31 May 2007	8,236,243	278,877	8,515,120
Net book value			
At 31 May 2007	2,866,993	197,222	3,064,215
At 31 May 2006	1,675,000	45,025	1,720,025

	2007 £	2006 £
9 Stocks		
Goods held for resale	230,100	307,270

	2007 £	2006 £
10. Debtors		
Trade debtors	4,037,789	3,630,081
Amounts due from subsidiary undertakings	13,410,535	8,698,846
Other debtors	157,972	6,489
Prepayments and accrued income	954,248	1,016,420
	18,560,544	13,351,836

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2007 £	2006 £
11 Creditors – Amounts falling due within one year		
Bank overdraft	18,938,308	12,189,014
Obligations under hire purchase agreement	10,668	-
Trade creditors	6,287,318	2,991,635
Amounts due to Aston Villa Limited and its subsidiary undertakings	19,005,699	12,659,790
Taxation and social security costs	812,742	1,191,115
Other creditors	1,944	9,328
Accruals and deferred income	4,628,148	2,392,825
	49,684,827	31,433,707

	2007 £	2006 £
12. Creditors – Amounts falling due after more than one year		
Bank loans	7,822,000	-
Obligations under hire purchase agreement	21,371	-
Trade creditors	243,675	237,759
Deferred income	170,800	-
	8,257,846	237,759

	2007 £	2006 £
13 Loans and other borrowings		
Bank loans and overdrafts	26,760,308	12,189,014
Hire purchase agreements	32,039	-
	26,792,347	12,189,014

The bank loan and overdraft, which are secured on the Group's land and property assets, bear interest on margins above LIBOR. The bank term loan is repayable by 3 payments each year over the period until July 2012.

The bank overdraft is renewable annually and repayable on demand. At the balance sheet date, the group had undrawn overdraft borrowing facilities of £6,152,000.

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2007 £	2006 £
14 Maturity of financial liabilities		
Falling due in one year or less, or on demand	18,949,976	12,189,014
Falling due in more than one year but less than two years	2,521,371	-
Falling due in more than two years but less than five years	2,500,000	-
Falling due in more than five years	2,822,000	-
	26,792,347	12,189,014

15 Provisions for liabilities and charges

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances, short term timing differences and tax trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £12.3 million (2006 £7.9 million). The asset would be recovered if sufficient taxable trading profits arise in the future.

On 21 March 2007, the Chancellor of the Exchequer announced a number of corporate tax reforms effective from 1 April 2008. The main change applicable to the company is the corporation tax rate reduction from 30% to 28%. The legislative changes were substantively enacted on 26 June 2007. If the changes had been enacted at the balance sheet date the unrecognised deferred tax asset would have reduced by £820,000.

	2007 £	2006 £
16 Called up share capital		
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted and fully paid		
1 Ordinary shares of £1 each	1	1

17 Profit and loss reserve

	2007 £
At 1 June 2006	(16,241,382)
Loss for the year	(19,802,561)
At 31 May 2007	(36,043,943)

18 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Opening shareholders' deficit	(16,446,607)	(10,729,197)
Loss for the year	(19,802,561)	(5,512,184)
Closing shareholders' deficit	(36,043,942)	(16,241,381)

ASTON VILLA FOOTBALL CLUB LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2007

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Retirement benefit schemes

Certain members of the Group's staff are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Group is one of a number of participating employers in FLLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed in the consolidated income statement as they become possible. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Under the provisions of FRS17 the scheme would be treated as a defined benefit multi-employer scheme. The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no disclosures are made under the provisions of FRS17. This deficit has been appropriately accounted for over the remaining service lives of the employees concerned in accordance with FRS17. Where employees have left the Group, the amount was charged to the consolidated income statement in the year in which the deficit was notified.

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £211,637 (2006: £194,418).

20 Ultimate parent company

At 31 May 2007 the directors consider Reform Acquisitions Limited, registered in England and Wales, to be the company's controlling party and the only parent undertaking for which group accounts are drawn up. Copies of those group financial statements have been delivered to, and are available from, The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors the ultimate holding company is Reform Acquisitions LLC, a company registered in the United States of America, and the ultimate controlling party is Randolph Lerner.

21 Related party transactions

The company has taken advantage of the exemption granted under Financial Reporting Standard 8 which does not require disclosure of transactions between subsidiary undertakings as more than 90% of the company's voting rights are controlled within the Group.