

Registered number: 10176070

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020



NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

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NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

COMPANY INFORMATION

Directors	W R Edens C M C Purslow N Sawiris
Registered number	10176070
Registered office	Villa Park Trinity Road Birmingham B6 6HE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Chamberlain Square Birmingham B3 3AX

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present the Strategic Report and the audited consolidated financial statements of NSWE UK Limited (formerly known as Recon Group UK Limited) (the "Group") and NSWE UK Limited (formerly known as Recon Group UK Limited) (the "Company") for the year ended 31 May 2020.

Principal activities

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

Review of business

The 2019/20 football season saw the Club compete in the Premier League for the first time since 2015/16. The Club was focused upon maintaining its Premier League status and continued shareholder investment of £126.4m (2019: £105.7m) enabled the Club to invest £155.9m (2019: £31.2m) in the acquisition of new players. Capital investment on infrastructure also continued with tangible fixed asset additions in the year of £11.2m (2019: £17.2m).

The football season culminated in a final league place of 17th which meant the club retained its Premier League status for the 2020/21 season.

Turnover for the year amounted to £112.6m (2019: £54.3m). The result before taxation amounted to a loss of £99.5m, (2019: £68.9m). The loss for the financial year of £99.2m (2019: £68.9m) has been deducted from reserves.

Net assets at the year end were £115.0m (2019: £87.8m).

The directors have not declared or paid an interim dividend during the year (2019: £Nil). They do not recommend a final dividend (2019: £Nil).

Principal risks and uncertainties

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

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

Management will continue to review forecast compliance with 'Premier League' profit and sustainability rules and the directors believe they will remain compliant for the 2020/21 season.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Impacts of COVID

The COVID-19 pandemic has created a worldwide public health crisis and the financial and economic outlook for every business is uncertain. Football clubs are no different and the global outbreak continues to present uncertainties and challenges during the 2020/21 football season. The Club continues to monitor the situation closely and continues to model financial scenarios for how the current season may develop.

The 2019/20 Premier League season was suspended on 13th March 2020, resumed on 17th June 2020 and eventually concluded on 26th July 2020.

Since the resumption professional football in England has continued to take place behind closed doors. At this stage, the timing of return of fans to stadia remains unknown.

To date, the Premier League has managed to maintain central broadcasting payments at expected levels but the Club is expecting to pay rebates to broadcasters out of future expected cash distributions.

The Club's share of rebates due to broadcasters is expected to amount to approximately £9.9m. The financial statements for year ended 31st May 2020 include a provision towards this amount of £6.9m.

The Club's ability to generate match day income has been interrupted whilst the behind closed doors model for matches continues to operate.

Six of the Club's 2019/20 Premier League home fixtures were played behind closed doors. This resulted a loss of match day ticket revenues of £1.3m and refunds to season ticket holders of £2.7m. Match day hospitality revenues were estimated to be impacted by £1.5m. These lost revenues were moderately offset with estimated match day operational cost savings of £1.3m. Profit impact resulting from games being played behind closed doors in the financial year ended 31st May 2020 is therefore estimated to be £4.2m.

In addition, the suspension of the Premier League meant that the season was not concluded within the financial year ended 31st May 2020. As a result £36.1m of revenue that was expected to be recognised in the financial year will now be recognised in the financial year ending 31st May 2021 together with the remaining £3.0m of rebates payable to broadcasters.

Key Performance Indicators ('KPIs')

The directors consider that the key performance indicators of a professional football club are finishing position in the league, progress in cup competitions, attendance and turnover.

	2020	2019
League Finishing Position	17th Premier League	5th EFL Championship
FA Cup Competition Progress	3rd Round	3rd Round
Football League Cup Competition Progress	Runners Up	2nd Round
Average League Attendance	41,661	36,008

*This is the average attendance for games before the postponement of the Premier League season and the commencement of matches being played behind closed doors.

The key financial performance indicators that the directors monitor are turnover, players' payroll, net transfer spending, EBITDA and daily cash flow.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

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

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

Supporters

The Club is truly grateful for the incredible support of our fanbase. With Season Ticket levels at an all-time high and regular sell-outs of Villa Park a feature of our return to The Premier League prior to the pandemic. The Club is fully committed to continuing meaningful engagement and dialogue with our supporters. Our Fans Consultation Group has recently been extended to further reflect more parts of our fanbase and meets regularly with senior club officials (including CEO Christian Purslow) throughout the season. Discussions at these meetings include implementation of key policies and initiatives.

Once it was clear to the Club that the COVID-19 outbreak would prohibit the return of fans to the stadium in the 19/20 season, the Club made the decision to offer all season ticket holders (general admission and hospitality) and match ticket purchases either a full cash refund or credit note to the full proportionate value of the undelivered games.

Staff

The Club recognises that our staff are at the heart of everything we do, and we are committed to making our club a truly great place to work.

The Club took early advance steps to prepare for the transition of staff to work from home, enabling the club to adapt quickly and ensure swift, operational business continuity in the event of any immediate need. The club closely monitored the Coronavirus outbreak and following a Government announcement in March 2020, the club took immediate steps to protect employees with only essential workers attending club sites, and all office-based employees working remotely. The Club has continued to communicate regularly with staff, and the club's Employee Consultation Forum has been invaluable in ensuring meaningful engagement and consultation with staff on people-related matters and policy.

The Club has decided not to participate in the Coronavirus Job Retention Scheme and no staff have been furloughed throughout the pandemic. This decision was taken early in the pandemic on the basis that there was no requirement for the utilisation of public funds and the Club has continued to pay all employees on time throughout the Coronavirus period – this includes all casual and matchday employees.

Community

The Club and the Aston Villa Foundation are committed to the organisation being seen as a 'force for good', making a positive contribution to the city of Birmingham and wider Aston Villa family. During the course of the year the Villa Park stadium has been utilised by the NHS as a venue to offer valuable health services to local residents, whilst the stadium kitchens have been utilised to cook food for some of the most vulnerable people in the city and the site has been used as a large scale clothing bank.

The Aston Villa Foundation has continued to deliver a wide range of projects and activities digitally and in person to support vulnerable people including children and young people, the elderly, those with disabilities and those struggling with their mental health in these most challenging of times.

Commercial Partners

Our partnership programme offers a combination of match-day and non-match-day marketing rights, of which a small amount of these rights were unable to be fulfilled due to the restrictions imposed from the COVID outbreak. As a result, the Club worked hard to offer alternative rights to these partners to create engaging marketing campaigns utilising marketing assets that were still freely available to the Club during the pandemic. We would like to thank our partners for their continued support and flexibility through this time.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

Governing Authorities

The Club maintains a close working relationship with both The F.A. and The Premier League and is committed to operating within their framework of rules and regulations. Club management regularly attend Premier League shareholder meetings and these meetings have been held on a basis more frequent than usually expected as The Premier League and its member clubs have attempted to manage the impact of the COVID-19 pandemic.

Decision Making At Board Level

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

Streamlined Energy and Carbon Report (SECR)

The Club has a focus on environmental awareness and Aston Villa are committed to continuing with our environmental initiatives. These include motion-based occupancy sensed LED lighting across offices, conferencing suites and concourses, reduced water usage in toilet facilities with urinal eco systems and an intelligent BMS (Building Management System) to track site usage and shut down lighting, TV's and heating in unused spaces. The Club also has recycling stations deployed throughout office and staff areas.

The Club's energy usage in the year ending 31st May 2020 was 11.8m KWH and total UK emissions were 3,540 tCO₂e. This represents an intensity ratio of 31.44 (tCO₂e per £m turnover). This is the first year of reporting under SECR therefore there are no prior period figures to show as comparatives.

Data has been collected from sources including utility providers, fuel usage and mileage records. The emissions disclosures have been prepared in accordance with the provisions of the 'GHG Reporting Protocol – Corporate Standard' and HM Government 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' issued March 2019. The UK Government greenhouse gas reporting conversion factors for 2019/20 were used in preparing this report.

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



C.M.C Purslow
Director

Date: 21 FEBRUARY 2021

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present their annual report and the audited consolidated financial statements of NSWU UK Limited (formerly known as Recon Group UK Limited) (the "Group") and NSWU UK Limited (formerly known as Recon Group UK Limited) (the "Company") for the year ended 31 May 2020.

Results and dividends

The loss for the financial year amounted to £99.2m (2019: £68.9m).

The directors do not recommend payment of a final dividend (2019: £Nil).

Directors

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

W R Edens
C M C Purslow
N Sawiris
J T Xia (resigned 2 August 2019)

Directors' and officers' insurance

The Company maintains cover under a qualifying third party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers.

Future developments

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

Going concern

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

The Group made a loss for the financial year and had net current liabilities of £38.3m. The Company remains reliant upon shareholder funding and the Group has received £87m of capital funding subsequent to the financial year end.

The directors have prepared detailed cashflow forecasts to assess potential funding requirements and are particularly mindful of the potential impact of the ongoing COVID-19 pandemic on future revenues. Given the Club's good start to the 2020/21 season the directors are confident in their assumption that cash flow forecasts for 2021/22 should be based upon participation in the Premier League. The directors have prepared forecasts on both a base case and a severe but plausible downside scenario on this assumption to assess the cashflow requirements to the end of the 2021/22 season.

Subject to rebates payable to broadcasters in relation to the suspension of the 2019/20 season the Premier League have continued to maintain central distribution payments to clubs at normal levels. However, the Club's ability to generate match day income has been interrupted whilst the behind closed doors model continues to operate.

Based upon current expectations the Group are forecast to have sufficient resources to meet their liabilities as they fall due for a period of not less than 12 months from the date of these financial statements with the continued support of the Club's ultimate parent company, NSWU SCS. A facility has been entered into with NSWU SCS to enable the Club to meet its forecast obligations in this period, in both a base case and severe but plausible downside scenario. As such, the directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Going concern (continued)

The Board, of which two members are the ultimate controlling party of NSW E SCS, have also received confirmation that NSW E SCS intends to support the Group and the Company for at least 12 months from the approval of these financial statements.

The directors therefore believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company NSW E SCS.

Charitable contributions

All fund raising events are dealt with by the Aston Villa Foundation which is registered with the Charity Commission. There were £Nil political contributions (2019: £Nil).

Financial risk management

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

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

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

Engagement with employees, suppliers, customers and other stakeholders

Engagement with employees, suppliers, customers and other stakeholders are detailed within the Strategic Report on page 4.

Employees

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

Disabled persons

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

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

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

Post balance sheet events

Since the Balance Sheet date various players have been bought and sold. The net income of these transfers, taking into account the applicable levies and sell on clauses, is £7.4m (2019: £Nil). The net cost of these transfers, taking into account the applicable levies, is £109.4m (2019: £131.9m). These transfers will be accounted for in the year ending 31 May 2021.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- they have taken all the steps that ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Independent auditors

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

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



C M C Purslow
Director

Date: 21 FEBRUARY 2021

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

Report on the audit of the financial statements

Opinion

In our opinion, NSWE UK Limited (formerly known as Recon Group UK Limited)'s Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 May 2020 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 May 2020; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

Reporting on other information

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

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED) (CONTINUED)

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED) (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

Date: 24/2/21

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2020**

		Operations excluding player trading 2020 £000	Player transactions 2020 £000	Total 2020 £000	Operations excluding player trading 2019 £000	Player transactions 2019 £000	Total 2019 £000
	Note						
Turnover	4	110,307	2,289	112,596	52,610	1,648	54,258
Administrative expenses		(145,084)	-	(145,084)	(112,701)	-	(112,701)
Exceptional administrative expenses	6	-	-	-	(45,808)	-	(45,808)
Other operating income	5	3,186	-	3,186	14,494	-	14,494
(Loss)/profit on disposal of tangible assets	7	(6)	-	(6)	36,374	-	36,374
Operating loss before player trading		(31,597)	2,289	(29,308)	(55,031)	1,648	(53,383)
Amortisation of players' registrations		-	(70,599)	(70,599)	-	(25,513)	(25,513)
(Loss)/profit on disposal of players' registrations	7	-	(393)	(393)	-	10,598	10,598
Total operating loss	7	(31,597)	(68,703)	(100,300)	(55,031)	(13,267)	(68,298)
Interest receivable and similar income	11	879	-	879	55	-	55
Interest payable and similar expenses	12	(31)	-	(31)	(641)	-	(641)
Loss before taxation		(30,749)	(68,703)	(99,452)	(55,617)	(13,267)	(68,884)
Tax on loss	13	282	-	282	-	-	-
Loss for the financial year		(30,467)	(68,703)	(99,170)	(55,617)	(13,267)	(68,884)

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

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

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)
REGISTERED NUMBER: 10176070

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	14	134,229	52,973
Tangible assets	15	42,562	33,768
		<u>176,791</u>	<u>86,741</u>
Current assets			
Debtors	17	68,447	83,710
Cash at bank and in hand	18	13,026	21,900
		<u>81,473</u>	<u>105,610</u>
Creditors: amounts falling due within one year	19	(119,798)	(103,651)
Net current (liabilities)/assets		<u>(38,325)</u>	<u>1,959</u>
Total assets less current liabilities		<u>138,466</u>	<u>88,700</u>
Creditors: amounts falling due after more than one year	20	(23,475)	(949)
Net assets		<u><u>114,991</u></u>	<u><u>87,751</u></u>
Capital and reserves			
Called up share capital	24	253,955	127,545
Capital redemption reserve	25	49,133	49,133
Capital contribution reserve	25	57,000	57,000
Merger reserve	25	302,688	302,688
Profit and loss account	25	(547,785)	(448,615)
Total shareholders' funds		<u><u>114,991</u></u>	<u><u>87,751</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C M C Purslow
 Director

Date: 21 FEBRUARY 2021

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)
REGISTERED NUMBER: 10176070

COMPANY BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	16	286,949	160,539
Current assets			
Debtors	17	1,433	1,743
Cash at bank and in hand	18	2	1
		<u>1,435</u>	<u>1,744</u>
Creditors: amounts falling due within one year	19	-	(309)
Net current assets		<u>1,435</u>	<u>1,435</u>
Total assets less current liabilities		<u><u>288,384</u></u>	<u><u>161,974</u></u>
Capital and reserves			
Called up share capital	24	253,955	127,545
Capital redemption reserve	25	49,133	49,133
Capital contribution reserve	25	57,000	57,000
Profit and loss account brought forward		(71,704)	(71,704)
Result for the financial year		-	-
Profit and loss account carried forward	25	<u>(71,704)</u>	<u>(71,704)</u>
Total shareholders' funds		<u><u>288,384</u></u>	<u><u>161,974</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C M C Purslow
Director

Date: 21 FEBRUARY 2021

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital £000	Capital redemption reserve £000	Capital contribution reserve £000	Merger reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 June 2018	69,460	-	57,000	302,688	(379,731)	49,417
Comprehensive expense for the financial year						
Loss for the financial year	-	-	-	-	(68,884)	(68,884)
Total comprehensive expense for the financial year	-	-	-	-	(68,884)	(68,884)
Contributions by and distributions to owners						
Shares issued in the financial year	58,085	-	-	-	-	58,085
Capital redemption during year	-	49,133	-	-	-	49,133
Total transactions with owners	58,085	49,133	-	-	-	107,218
At 31 May 2019 and 1 June 2019	127,545	49,133	57,000	302,688	(448,615)	87,751
Comprehensive expense for the financial year						
Loss for the financial year	-	-	-	-	(99,170)	(99,170)
Total comprehensive expense for the financial year	-	-	-	-	(99,170)	(99,170)
Contributions by and distributions to owners						
Shares issued in the financial year	126,410	-	-	-	-	126,410
Total transactions with owners	126,410	-	-	-	-	126,410
At 31 May 2020	253,955	49,133	57,000	302,688	(547,785)	114,991

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital £000	Capital redemption reserve £000	Capital contribution reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 June 2018	69,460	-	57,000	(71,704)	54,756
Comprehensive income for the financial year					
Result for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-
Contributions by and distributions to owners					
Shares issued in the financial year	58,085	-	-	-	58,085
Capital redemption in year	-	49,133	-	-	49,133
Total transactions with owners	58,085	49,133	-	-	107,218
At 31 May 2019 and 1 June 2019	127,545	49,133	57,000	(71,704)	161,974
Comprehensive income for the financial year					
Result for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-
Contributions by and distributions to owners					
Shares issued in the financial year	126,410	-	-	-	126,410
Total transactions with owners	126,410	-	-	-	126,410
At 31 May 2020	253,955	49,133	57,000	(71,704)	288,384

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(99,170)	(68,884)
Adjustments for:		
Loss/(profit) on disposal of players' registrations	393	(10,598)
Loss/(profit) on disposal of tangible assets	6	(36,374)
Interest receivable and similar income	(879)	(55)
Interest payable and similar expenses	31	641
Amortisation of players' registrations	70,599	25,513
Depreciation of tangible assets	2,424	3,118
Taxation charge	(282)	-
Impairments of tangible assets	-	1,538
Decrease in debtors	9,376	2,633
Increase in creditors	911	27,612
R&D tax credit	(305)	-
Net cash used in operating activities	(16,896)	(54,856)
Cash flows from investing activities		
Purchase of intangible assets	(118,132)	(24,567)
Sale of intangible assets	10,120	9,417
Purchase of tangible assets	(11,254)	(17,174)
Sale of tangible assets	30	10
Interest received	879	55
Net cash used in investing activities	(118,357)	(32,259)
Cash flows from financing activities		
Issue of share capital	126,410	105,719
Increase in other borrowings	-	500
Interest paid	(31)	(641)
Net cash from financing activities	126,379	105,578
Net (decrease)/increase in cash and cash equivalents	(8,874)	18,463
Cash and cash equivalents at beginning of financial year	21,900	3,437
Cash and cash equivalents at the end of financial year	13,026	21,900
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	13,026	21,900

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2020**

	At 1 June 2019 £000	Cash flows £000	At 31 May 2020 £000
Cash at bank and in hand	21,900	(8,874)	13,026

The notes on pages 19 to 39 form part of these financial statements.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. General information

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

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Villa Park, Trinity Road, Birmingham, B6 6HE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 May each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated on consolidation. Uniform accounting policies have been applied across the Group. The loss for the financial year/period dealt with in the financial statements of the parent Company was £Nil (2019: £Nil). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent Company.

The bringing together of the Company's subsidiary undertakings has been accounted for using merger accounting principles set out in the Companies Act 2006 as applicable to group reconstructions. As such, these consolidated financial statements include the financial information in full of NSWE UK Limited (for the year ending 31 May 2020) and NSWE Sports Limited (for the year ending 31 May 2020) as required by Schedule 6 to SI 2008/410.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.3 Going concern

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

The Group made a loss for the financial year and had net current liabilities of £38.3m. The Company remains reliant upon shareholder funding and the Group has received £87m of capital funding subsequent to the financial year end.

The directors have prepared detailed cashflow forecasts to assess potential funding requirements and are particularly mindful of the potential impact of the ongoing COVID-19 pandemic on future revenues. Given the Club's good start to the 2020/21 season the directors are confident in their assumption that cash flow forecasts for 2021/22 should be based upon participation in the Premier League. The directors have prepared forecasts on both a base case and a severe but plausible downside scenario on this assumption to assess the cashflow requirements to the end of the 2021/22 season.

Subject to rebates payable to broadcasters in relation to the suspension of the 2019/20 season the Premier League have continued to maintain central distribution payments to clubs at normal levels. However, the Club's ability to generate match day income has been interrupted whilst the behind closed doors model continues to operate.

Based upon current expectations the Group are forecast to have sufficient resources to meet their liabilities as they fall due for a period of not less than 12 months from the date of these financial statements with the continued support of the Club's ultimate parent company, NSWE SCS. A facility has been entered into with NSWE SCS to enable the Club to meet its forecast obligations in this period, in both a base case and severe but plausible downside scenario. As such, the directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern.

The Board, of which two members are the ultimate controlling party of NSWE SCS, have also received confirmation that NSWE SCS intends to support the Group and the Company for at least 12 months from the approval of these financial statements.

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

2.4 Subsidiary company audit exemption

For the year ending 31 May 2020, Aston Villa Women's Football Club Limited (Registered number: 08414046) and 1874 Developments Limited (Registered number:10484901) were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

2.5 Disclosure of Non-GAAP measure

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.7 Turnover

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

Gate receipts turnover is recognised over the period of the English football season, as home matches are played, with amounts deferred from the 19/20 season relating to matches which had not taken place by the end of the financial year.

Fixed elements of broadcasting contracts are taken in proportion to the number of league matches played, home and away. Broadcasting facility fees are accounted for when earned. Rebates payable to broadcasters as a result of the suspension of the 2019-20 Premier League season have been allocated to fixed elements or broadcasting facility fee elements of income and recognised on the same basis as the related revenue.

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

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

2.8 Leases

Assets acquired under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible assets and are depreciated over their useful lives. The capital element of future lease obligations are recorded as liabilities with the interest element being charged to the profit and loss account at a constant rate over the period of the lease.

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

2.9 Interest income

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.10 Pensions

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

Certain of the Company's employees and ex-employees are members of the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Company is one of a number of participating employers in FLLPLAS it is not possible to identify the Company's share of the individual assets and liabilities within the scheme. However, the actuarial surplus or deficit is estimated and a provision is made for any unfunded obligation with any payments made being deducted from the outstanding balance. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Further details are set out in note 27.

2.11 Current and deferred taxation

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

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

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

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

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

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

Deferred tax is measured on an undiscounted basis.

2.12 Exceptional items

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.13 Intangible assets - players' registrations

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

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

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

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

2.14 Players' signing-on fees and loyalty payments

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

2.15 Tangible assets

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

Depreciation is calculated on a straight-line basis to write down the assets to their estimated residual value over the anticipated useful lives, which are re-assessed on a periodic basis, at the following annual rates:

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

2.16 Impairment of tangible and intangible assets

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.17 Investments

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

2.18 Debtors

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

2.19 Cash at bank and in hand

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

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

2.20 Creditors

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.21 Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in the profit or loss account. Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

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

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

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. The directors consider there are no critical accounting judgements made in applying the Group's accounting policies.

a) Intangible fixed assets – players' registrations

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

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

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

Contingent liabilities are detailed in note 26.

b) Impairment of tangible and intangible fixed assets

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

The unamortized balance of existing registrations as of 31 May 2020 was £134.2 million, of which £59.5m million is expected to be amortised in the year ended 31 May 2021. The remaining balance is expected to be amortised over the four years to 31 May 2025.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

4. Turnover

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

	2020 £000	2019 £000
Gate receipts	11,110	12,745
Broadcasting	77,728	22,270
Sponsorship	10,401	7,339
Commercial	13,357	11,904
	<u>112,596</u>	<u>54,258</u>

The constituents of each component are as follows:

- Gate receipts - Revenues generated from the sale of match tickets.
- Broadcasting - Distributions from the FA Premier League and English Football League broadcasting agreements, including the merit award, cup competition broadcasting rights and local radio broadcasting.
- Sponsorship - Major sponsorship contracts and club partnership agreements.
- Commercial - Merchandising, royalties, conference and banqueting, fees received for the loan of players' registrations and all other revenue sources.

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

5. Other operating income

	2020 £000	2019 £000
Income from compensation deed relating to freehold land	2,881	14,494
RDEC credit	305	-
	<u>3,186</u>	<u>14,494</u>

6. Exceptional administrative expenses

	2020 £000	2019 £000
Impairment of amounts due to group relating to liabilities arising on promotion to the Premier League	-	30,000
Promotion related payments	-	15,808
	<u>-</u>	<u>45,808</u>

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

7. Operating loss

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

	2020	2019
	£000	£000
Depreciation of tangible assets	2,424	3,118
Impairment of tangible assets	-	1,538
Amortisation of players' registrations	70,599	25,513
Loss/(profit) on disposal of tangible assets (including release of related grant income of £2,349,000 in prior year)	6	(36,374)
Loss/(profit) on disposal of players' registrations	393	(10,598)
Community development expenditure	3,345	843
Youth development expenditure	8,956	9,280

Total operating expenses for the year ending 31 May 2020 were £215.7m (year ending 31 May 2019 £184.0m).

8. Auditors' remuneration

	2020	2019
	£000	£000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	68	70
Fees payable to the Group's auditors in respect of:		
Audit-related assurance services	17	16
Non-audit services	42	89
	59	105

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

9. Employees

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

	Group 2020 £000	Group 2019 £000
Wages and salaries	95,121	85,229
Social security costs	13,252	9,316
Other pension costs (note 27)	434	453
	108,807	94,998

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

	2020	2019
	Number	Number
Players, football management and coaches	184	175
Commercial, merchandising, operations and foundation	168	146
Maintenance and administration	65	65
Part-time employees on match days and other events	484	465
	901	851

The Company does not have any employees (2019: None).

10. Directors' remuneration

	2020 £000	2019 £000
Directors' aggregate remuneration	1,536	531
Company contributions to money purchase schemes	-	3
	1,536	534

During the year retirement benefits were accruing to Nil directors (2019: 1) in respect of defined money purchase schemes.

The highest paid director received remuneration of £1,536,255 (2019: £438,544).

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

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

11. Interest receivable and similar income

	2020	2019
	£000	£000
Interest receivable	879	55

12. Interest payable and similar expenses

	2020	2019
	£000	£000
Interest on bank overdrafts and loans	-	216
Other interest payable	31	425
	31	641

13. Tax on loss

	2020	2019
	£000	£000
Corporation tax		
Current tax on losses for the financial year	(330)	-
Adjustments in respect of prior years	48	-
Total current tax	(282)	-
Deferred tax		
Origination and reversal of timing differences	58	-
Increase in discount	(58)	-
Total deferred tax	-	-
Total tax	(282)	-

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

13. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £000	2019 £000
Loss before taxation	(99,452)	(68,884)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(18,896)	(13,088)
Effects of:		
Expenses not deductible for tax purposes	191	6,276
Adjustments in respect of prior years	(9)	-
Income not taxable	(593)	(2,812)
Chargeable gains	-	5,827
Gains/rollover relief	547	-
Accounting profit on chargeable disposal	-	(6,760)
Movement in unprovided deferred tax	18,536	10,557
RDEC credit	(58)	-
Total tax credit for the financial year	(282)	-

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted on 7 September 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020 and deferred tax balances at the Balance Sheet date have been measured using this rate.

Subsequent to the Balance Sheet date, a further change was substantively enacted on 17 March 2020 to maintain the rate at 19%.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

14. Intangible assets

Group

	Players' registrations £000
Cost	
At 1 June 2019	119,794
Additions	155,895
Disposals	(45,635)
At 31 May 2020	<u>230,054</u>
Accumulated amortisation	
At 1 June 2019	66,821
Charge for the year	70,599
On disposals	(41,595)
At 31 May 2020	<u>95,825</u>
Net book value	
At 31 May 2020	<u><u>134,229</u></u>
At 31 May 2019	<u><u>52,973</u></u>

The Company does not have any intangible fixed assets (2019: £Nil).

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

15. Tangible assets

Group

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and equipment £000	Total £000
Cost				
At 1 June 2019	85,150	201	30,799	116,150
Additions	4,316	-	6,938	11,254
Disposals	-	-	(397)	(397)
At 31 May 2020	<u>89,466</u>	<u>201</u>	<u>37,340</u>	<u>127,007</u>
Accumulated depreciation				
At 1 June 2019	52,804	34	29,544	82,382
Charge for the year	552	2	1,870	2,424
Disposals	-	-	(361)	(361)
At 31 May 2020	<u>53,356</u>	<u>36</u>	<u>31,053</u>	<u>84,445</u>
Net book value				
At 31 May 2020	<u>36,110</u>	<u>165</u>	<u>6,287</u>	<u>42,562</u>
At 31 May 2019	<u>32,346</u>	<u>167</u>	<u>1,255</u>	<u>33,768</u>

Freehold land and buildings includes freehold land amounting to £5,142,925 (2019: £5,142,925) which has not been depreciated.

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

16. Investments

Company

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Total £000
Cost			
At 1 June 2019	198,179	34,000	232,179
Additions	126,410	-	126,410
At 31 May 2020	<u>324,589</u>	<u>34,000</u>	<u>358,589</u>
Accumulated impairment			
At 1 June 2019	71,640	-	71,640
At 31 May 2020	<u>71,640</u>	<u>-</u>	<u>71,640</u>
Net book value			
At 31 May 2020	<u>252,949</u>	<u>34,000</u>	<u>286,949</u>
At 31 May 2019	<u>126,539</u>	<u>34,000</u>	<u>160,539</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
NSWE Sports Limited	Villa Park, Birmingham, B6 6HE	Holding company	Ordinary	100%
1874 Developments Limited	Trinity Road, Birmingham, United Kingdom, B6 6HE	Property investment	Ordinary	100%
Aston Villa Limited*	Villa Park, Birmingham, B6 6HE	Holding company	Ordinary	100%
Aston Villa Football Club Ltd*	Villa Park Trinity Road, Aston, Birmingham, West Midlands, B6 6HE	Commercial operations	Ordinary	100%
Aston Villa FC Limited*	Villa Park, Trinity Road, Birmingham, B6 6HE	Professional football club	Ordinary	100%

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

16. Investments (continued)

Subsidiary undertakings (continued)

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

* Indirectly held

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

At the Balance Sheet date, the Group held one share in The Football Association Premier League Limited. During the year, this share was exchanged for the one share in The Football League Limited which the Group held at 31 May 2019.

17. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	3,126	16,404	-	-
Amounts owed by group undertakings	794	2,898	1,433	1,743
Other debtors	153	702	-	-
Other loans receivable	56,700	56,700	-	-
Prepayments and accrued income	7,087	7,006	-	-
Tax recoverable	587	-	-	-
	68,447	83,710	1,433	1,743

Debtors are stated after provisions for impairment of £Nil (2019: £30,000,000).

Trade debtors and other debtors are measured at amortised cost.

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

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

18. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	13,026	21,900	2	1

19. Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade creditors	45,600	32,849	-	-
Amounts owed to group undertakings	2,530	309	-	309
Taxation and social security	18,913	2,817	-	-
Other creditors	877	1,210	-	-
Accruals and deferred income	51,878	66,466	-	-
	119,798	103,651	-	309

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

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

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade creditors	23,475	949	-	-

21. Grants and donations

	Group 2020 £000	Group 2019 £000
At 1 June	-	2,349
Credit to loss from operations in the year	-	(2,349)
At 31 May	-	-

NSWE UK LIMITED (FORMERLY KNOWN AS RECON GROUP UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

22. Deferred taxation

There is an unprovided deferred tax asset of £97.5m (2019: £68.0m) in respect of tax losses carried forward in the Group, fixed assets and temporary timing differences, and an unprovided deferred tax asset of £Nil (2019: £Nil) in the Company. No deferred tax asset will be recognised until the directors assess that these losses can be utilised with reasonable certainty.

23. Financial instruments

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	63,151	76,704	1,433	1,743
Financial liabilities				
Financial liabilities measured at amortised cost	(110,610)	(101,783)	-	(309)

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

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

24. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
223,479,142 (2019: 74,545,454) Ordinary shares of £1 (2019: £1) each	223,479	74,545
Allotted, called up and partly paid		
42,301,295 (2019: 70,158,657) Ordinary shares of £1 (2019: £1) each	30,476	53,000

On 9 July 2019, the Company issued 41,666,667 of £1 each. These shares were partially paid, with £0.28 per share remaining unpaid. All consideration was settled in cash.

On 19 August 2019, the Company issued 22,409,659 of £1 each for consideration of £22,409,659. All consideration was settled in cash.

On 3 October 2019, the Company issued 57,000,000 of £1 each for consideration of £57,000,000. All consideration was settled in cash.

On 6 January 2020, 69,524,029 partly paid up shares were fully paid up for consideration of £17,000,000. All consideration was settled in cash.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

25. Reserves

Capital contribution reserve

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

Capital redemption reserve

The capital redemption reserves represents the nominal value of share capital previous issued and then repurchased by the Company.

Merger Reserve

The merger reserve represents the difference between the cost of the investment and the fair value of the assets transferred as part of a merger.

Profit and loss account

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

26. Contingent liabilities and commitments

The terms of certain contracts with other football clubs in respect of the acquisition of players' registrations include the payment of additional amounts upon the fulfilment of specific conditions in the future. The maximum unprovided liability which may arise in respect of these players at 31 May 2020 is £9.2m (2019: £1.4m). The nature of these contingent liabilities means that an estimation of timings is not practicable as they relate to the events which have no definitive timing.

27. Retirement benefit schemes

Certain members of the Group's staff are members of either the Football League Limited Players' Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Company is one of a number of participating employers in the scheme, it is not possible to allocate any actuarial surplus or deficit on an annual basis. However, under Section 75 of the Pensions Act 1995, the Company, as a participating employer in the scheme, is liable to fund the deficit relating to Company's ex-employees who are members of the scheme. The Scheme Actuary finalised a full valuation as at 31 August 2017 and allocated £527,494 as the Club's share of the deficit. The deficit is funded by annual contributions. The balance outstanding at the year-end date is included in other creditors. The Club has made contributions of £97,953 in the year (2019: £93,291). The assets of the scheme are held separately from those of the Company.

At the year end, the amount outstanding in relation to the defined contribution schemes was £260,296 (2019: £358,249).

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £444,688 (2019: £453,199). At the end of the year contributions of £124,318 (2019: £176,262) were outstanding.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

28. Commitments under operating leases

At 31 May 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	2,600	2,600
Later than 1 year and not later than 5 years	5,200	7,800
	<u>7,800</u>	<u>10,400</u>

29. Related party transactions

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

At the year end, the Company had loans receivable of £56,700,000 (2019: £56,700,000) due from NSW Stadium Ltd, a company with common ultimate beneficial ownership. The Group paid rent of £2,600,000 to NSW Stadium Limited (2019: £Nil) and received interest from NSW Stadium Limited of £793,800 (2019: £Nil).

30. Post balance sheet events

Since the Balance Sheet date various players have been bought and sold. The net income of these transfers, taking into account the applicable levies and sell on clauses, is £7.4m (2019: £Nil). The net cost of these transfers, taking into account the applicable levies, is £109.4m (2019: £131.9m). These transfers will be accounted for in the year ending 31 May 2021.

31. Ultimate parent undertaking and controlling party

At 31 May 2020 the directors consider NSW SCS, registered in Luxembourg to be the Company's controlling party.

NSWE UK Limited is the smallest and largest group to consolidate these financial statements and copies of these consolidated financial statements can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.