

**NORWICH CITY FOOTBALL  
CLUB PLC**

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2018



Company number 00154044

# **NORWICH CITY FOOTBALL CLUB PLC**

## **ANNUAL REPORT**

**For the year ended 30 June 2018**

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**Board of Directors:**  
E Balls (Chairman)  
M M Foulger (Deputy Chairman)  
S J Phillips  
Ms D A Smith  
T Smith  
S Stone (Managing Director: Appointed 6 April 2018)  
E M S Wynn Jones

**Company Secretary:** B Dack (Director of Finance & IT)

**Other Senior Executives:**  
S Webber (Sporting Director)  
A Blofeld (Club Secretary)

**Company Number:** 00154044

**Registered Office:**  
Carrow Road  
Norwich  
NR1 1JE

**Auditor:**  
BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **NORWICH CITY FOOTBALL CLUB PLC**

## **ANNUAL REPORT**

**For the year ended 30 June 2018**

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# NORWICH CITY FOOTBALL CLUB PLC

## STRATEGIC REPORT

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The Directors present the Group's Strategic Report for the year ended 30 June 2018.

### Principal activities

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

### Key performance indicators

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

	2018	2017
Average league attendance (number)	25,960	26,354
Season tickets sold (number)	20,557	20,968
Player wage costs as a percentage of turnover (%)	50	50
Cash balance at the year end (£'000)	16,055	(382)
Group operating (loss)/profit excluding player trading (£'000)	(5,074)	1,959
League position (and points)	14 (60)	8 (70)

### Business review and future outlook

2017/18 was a disappointing season for the Club, not achieving promotion and therefore remaining in the Championship for a third consecutive season.

Turnover in 2017/18 was £13.7m lower than the prior year, primarily due to the fall in the value of parachute payments received from the Premier League as a result of a second season in the Championship. However, gains on the disposal of Player registrations resulted in a Group operating profit of £19.0m.

The cash inflow of £16.4m is driven mainly from cash generated by operations of £9.1m, net receipts from player trading of £4.7m, and net funds raised by the Canaries Bond of £4.8m.

The Club's future strategy remains to return to the Premier League at the earliest opportunity. This strategy involves investment of all available cash into the current and future playing squads, and a balance being struck between a current competitive first team squad and investment in our Academy to produce players capable of progressing to our first team.

This year has been a watershed in terms of investing a significant sum in development of our Academy, correcting many previous years of under-investment. This was done through raising external finance via the Canaries Bond (see above), so as not to restrict the cash available to invest in the first team squad. The Directors felt that the investment was vital for the long-term future of the Club and brisk progress has already been made on the Academy development.

# NORWICH CITY FOOTBALL CLUB PLC

## STRATEGIC REPORT

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### **Principal business risk management objectives and policies**

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

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

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

### **Going concern**

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

Under all of these scenarios, based on these cash flow forecasts, expectations for player trading and the availability of future external finance as required from time to time, the Club can meet its liabilities as they fall due.

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

BY ORDER OF THE BOARD



B Dack  
Company Secretary  
13 September 2018

# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

The Directors present their report and the consolidated financial statements for the year ended 30 June 2018.

### Information included in the Strategic Report

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

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

### Results and dividends

The profit for the year after taxation amounted to £14,638,000 (2017: loss of £2,747,000).

A dividend on the 'A' preference shares of £507 (2017: £507) and on the 'B' preference shares of £63,838 (2017: £57,961) has been accrued for in the year ended 30 June 2018 (note 11).

### Directors

The Directors of the Company serving as at 30 June 2018 together with their beneficial interests in the Company's issued share capital were:

	Ordinary shares		'B' preference shares	
	of £1 each		of £1 each	
	30 June 2018	1 July 2017	30 June 2018	1 July 2017
E Balls	100	100	-	-
M M Foulger	98,200	98,200	4,400	4,400
S J Phillips	100	100	-	-
Ms D A Smith	100	100	-	-
T Smith	104	104	1	1
S Stone (Appointed 6 April 2018)	100	-	-	-
E M S Wynn Jones	100	100	-	-
Ms D A Smith and E M S Wynn Jones (jointly)	327,109	327,209	3,025	3,025

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

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

### Directors' and officers' liability insurance

During the year ended 30 June 2018 the Group maintained liability insurance for its Directors and Officers, as permitted by Section 233 of the Companies Act 2006.

# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

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### Share capital

During the period no (2017: nil) £1 ordinary shares were issued.

### Principal financial risk management objectives and policies

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

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

### Charitable activity

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

During the course of the 2017/18 season:

- 250 club pennants were signed by the first team squad and issued to worthy causes to aid with fundraising;
- Ground collections took place at first team games for the Community Sports Foundation, Royal British Legion, and Still on the Ball (Age UK Norwich); and
- Match day tickets were issued to charitable organisations such as the Royal British Legion, Veterans Norfolk and local Armed Forces representatives as part of our annual support of the Poppy Appeal and Club's Armed Forces Day.

Before each home game, a Community Hero is announced to the crowd as they deliver the match ball. Each one has been nominated because of their contribution to the community through fundraising, heroism, or above and beyond support for the Club.

The Club and the Foundation also worked together to provide a pair of Wish Days; one young fan with a serious illness joined the first team squad photo, while four families experienced a unique day out at Colney at Christmas and received gifts from the players.

The players also visited the children's wards at the James Paget and Norfolk and Norwich Hospitals as well as the Quidenham Children's Hospice at Christmas.

The 2018 Run Norwich event, organised by the Community Sports Foundation, took place on 6<sup>th</sup> August 2018 and saw nearly 5,000 runners take part. Many of the participants were running to support one of the four official local charities: SERV Norfolk, The Big C, Norwich & Central Norfolk MIND, and the Foundation itself. Over £160,000 was raised between the four official race charities, while an estimated £300,000 was raised in total for over 100 causes.

### CSF and The Nest

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

In February 2018, the Foundation launched a campaign to raise £2.5 million towards the cost of building a second phase of 'The Nest' – a new community hub in Horsford, Norfolk.

## **NORWICH CITY FOOTBALL CLUB PLC**

### **REPORT OF THE DIRECTORS**

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An initial phase of development has seen the laying of seven grass football pitches and the renovation of the existing clubhouse at the former Anglian Windows Sports and Social Club, but the campaign has been launched to help the Foundation meet the costs of constructing an indoor sports hall, gym and classroom facilities, as well as a full-size 3G football pitch.

In May 2018, the Club held a match between Norwich City Legends and Inter Forever, raising a total of £60,000 for the Nest whilst celebrating 25 years since the Club's famous run to the third round of the UEFA Cup.

#### **Colleague involvement**

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

#### **Disabled colleagues**

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

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

#### **Payments to suppliers**

The Group's policy in relation to all suppliers is to agree the terms of payment when agreeing the transaction and to abide by those terms, provided it is satisfied that the supplier has provided the goods or service in accordance with the agreed terms and conditions. The Group does not follow any code or standard of payment practice. The ratio expressed in days between amounts invoiced to the Group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 51 (2017: 67) days.

#### **Asset values**

Accounting Standards require the Club to value its assets using specific criteria. At the year end there were 26 players (2017: 28) for which the cost of their player registration has been capitalised and is being amortised over the period of the respective players' contracts. The combined net book value of these players at 30 June 2018 was £14.4 million (2017: £29.7 million). The Carrow Road stadium and other land and buildings are currently stated at £24.6 million (2017: £25.6 million), being valued on an historical cost basis or an adopted valuation as detailed in note 14, less accumulated depreciation. In the opinion of the Directors, the replacement cost of the land and buildings at 30 June 2018 would exceed the book value included in the financial statements.

#### **Post balance sheet events**

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



# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

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### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

In so far as each of the Directors is aware:

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

BY ORDER OF THE BOARD



B Dack  
Company Secretary  
13 September 2018

## NORWICH CITY FOOTBALL CLUB PLC

### INDEPENDENT AUDITOR'S REPORT

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

##### Opinion

We have audited the financial statements of Norwich City Football Club PLC ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### Basis for opinion

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

##### Conclusions relating to going concern

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

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

##### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## NORWICH CITY FOOTBALL CLUB PLC

### INDEPENDENT AUDITOR'S REPORT

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Use of our report**

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

*BDO LLP*

*Ian Clayden (Senior Statutory Auditor)*

*For and on behalf of BDO LLP, statutory auditor*

*London*

*21 September 2018*

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

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	Operations excluding player trading £'000	Player trading £'000	2018 Total £'000	2017 Total £'000
<b>Group turnover</b>	3	<b>61,667</b>	-	<b>61,667</b>	75,326
Operating expenses	4	(68,739)	(23,966)	(92,705)	(90,093)
Other operating income	5	2,050	-	2,050	566
Gain on disposal of players' registrations	6	-	48,023	48,023	11,949
Impairment of freehold land	14	-	-	-	(370)
Loss on disposal of investment		(52)	-	(52)	-
<b>Group operating profit/(loss)</b>		<b>(5,074)</b>	<b>24,057</b>	<b>18,983</b>	<b>(2,622)</b>
Share of operating profit in associate		-	-	-	4
Interest receivable and similar income	9	683	-	683	809
Interest payable and similar charges	10	(1,185)	-	(1,185)	(1,255)
<b>Profit/(loss) on ordinary activities before tax</b>		<b>(5,576)</b>	<b>24,057</b>	<b>18,481</b>	<b>(3,064)</b>
Taxation	12			(3,843)	317
<b>Profit/(loss) for the year</b>				<b>14,638</b>	<b>(2,747)</b>
<b>Other comprehensive income for the year</b>				-	-
<b>Total comprehensive income/(loss) for the year</b>				<b>14,638</b>	<b>(2,747)</b>

All operations are continuing.

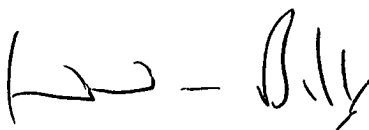
The accompanying accounting policies and notes form an integral part of these financial statements.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible fixed assets	13	14,411	29,673
Tangible fixed assets	14	29,363	27,534
Investment - associated undertaking	15	-	76
		<u>43,774</u>	<u>57,283</u>
<b>Current assets</b>			
Stocks	16	502	993
Debtors: amounts falling due within one year	17	28,520	20,658
Debtors: amounts due after more than one year	17	22,540	10
Cash at bank and in hand		16,055	1,449
		<u>67,617</u>	<u>23,110</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(45,485)</u>	<u>(45,711)</u>
<b>Net current assets/(liabilities)</b>		<u>22,132</u>	<u>(22,601)</u>
<b>Total assets less current liabilities</b>		<u>65,906</u>	<u>34,682</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(11,889)	(5,058)
<b>Deferred grant income</b>	20	(1,538)	(1,626)
<b>Provisions for liabilities</b>	21	(14,727)	(4,884)
		<u>37,752</u>	<u>23,114</u>
<b>Net assets</b>		<u>37,752</u>	<u>23,114</u>
<b>Capital and reserves</b>			
Called up equity share capital	23	617	617
Share premium account	24	10,730	10,730
Revaluation reserve	24	71	71
Capital redemption reserve	24	34	34
Profit and loss account	24	26,300	11,662
		<u>37,752</u>	<u>23,114</u>
<b>Shareholders' funds</b>		<u>37,752</u>	<u>23,114</u>

The financial statements were approved by the board of Directors, signed and authorised for issue on 13 September 2018 and signed on its behalf by:



E Balls

Director

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

# NORWICH CITY FOOTBALL CLUB PLC

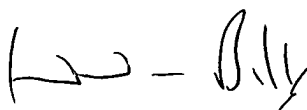
## COMPANY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

Company number 00154044

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible fixed assets	13	14,411	29,673
Tangible fixed assets	14	29,943	28,114
Fixed asset investments	15	-	28
		<u>44,354</u>	<u>57,815</u>
<b>Current assets</b>			
Stocks	16	502	993
Debtors: amounts falling due within one year	17	28,436	20,575
Debtors: amounts due after more than one year	17	22,540	10
Cash at bank and in hand		16,055	1,449
		<u>67,533</u>	<u>23,027</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(45,977)</u>	<u>(46,144)</u>
<b>Net current assets/(liabilities)</b>		<u>21,556</u>	<u>(23,117)</u>
<b>Total assets less current liabilities</b>		<u>65,910</u>	<u>34,698</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(11,889)	(5,058)
<b>Deferred grant income</b>	20	(1,538)	(1,626)
<b>Provisions for liabilities</b>	21	(13,513)	(3,411)
<b>Net assets</b>		<u>38,970</u>	<u>24,603</u>
<b>Capital and reserves</b>			
Called up equity share capital	23	617	617
Share premium account	24	10,730	10,730
Revaluation reserve	24	71	71
Capital redemption reserve	24	34	34
Profit and loss account	24	27,518	13,151
<b>Shareholders' funds</b>		<u>38,970</u>	<u>24,603</u>

The profit for the year ended 30 June 2018 arising in the accounts of the Company is £14,367,000 (2017: loss of £2,666,000).

The financial statements were approved by the board of Directors, signed and authorised for issue on 13 September 2018 and signed on its behalf by:



E Balls

**Director**

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

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2018

	Called up equity share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
<b>Group:</b>						
1 July 2016	617	10,730	71	34	14,409	25,861
<i>Comprehensive loss for the period:</i>						
Loss for the period	-	-	-	-	(2,747)	(2,747)
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(2,747)	(2,747)
30 June 2017	617	10,730	71	34	11,662	23,114
1 July 2017	617	10,730	71	34	11,662	23,114
<i>Comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	14,638	14,638
Other comprehensive profit for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	14,638	14,638
30 June 2018	617	10,730	71	34	26,300	37,752

# NORWICH CITY FOOTBALL CLUB PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2018

	Called up equity share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
<b>Company:</b>						
1 July 2016	617	10,730	71	34	15,817	27,269
<i>Comprehensive loss for the period:</i>						
Loss for the period	-	-	-	-	(2,666)	(2,666)
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(2,666)	(2,666)
30 June 2017	617	10,730	71	34	13,151	24,603
1 July 2017	617	10,730	71	34	13,151	24,603
<i>Comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	14,367	14,367
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	14,367	14,367
30 June 2018	617	10,730	71	34	27,518	38,970



# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2018

	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	14,638	(2,747)
Gain on disposal of players' registrations	(48,023)	(11,949)
Share of profit for the year of equity accounted investments	-	(4)
Net interest payable	502	446
Taxation expense/(credit)	3,843	(317)
Impairment of intangible fixed assets	9,373	-
Amortisation of intangible fixed assets	14,593	16,530
Depreciation of tangible fixed assets	1,746	1,889
Loss on disposal of investment	52	-
Impairment of tangible fixed assets	-	370
Decrease in stocks	491	270
Increase in debtors	(48)	(608)
Increase/(decrease) in creditors	1,445	(3,050)
Decrease in deferred grant income	(88)	(88)
Increase in provisions	10,969	535
<b>Cash from operations</b>	<b>9,493</b>	<b>1,277</b>
Interest paid	(433)	(398)
Taxation paid	-	(76)
<b>Net cash generated from operating activities</b>	<b>9,060</b>	<b>803</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(20,082)	(27,584)
Purchase of tangible fixed assets	(2,346)	(628)
Proceeds from sale of intangible fixed assets	24,822	29,662
Proceeds from sale of investment	25	-
<b>Net cash generated from investing activities</b>	<b>2,419</b>	<b>1,450</b>
<b>Cash flows from financing activities</b>		
Financing element of proceeds from sale of intangible fixed assets	148	353
Financing element of purchase of intangible fixed assets	(219)	(337)
Net proceeds from Bond issue	4,849	-
Loans from Directors	250	-
Preference dividends paid	(70)	(52)
<b>Net cash generated from/(used in) financing activities</b>	<b>4,958</b>	<b>(36)</b>
<b>Increase in cash during the year</b>	<b>16,437</b>	<b>2,217</b>
Cash and cash equivalents at beginning of year	(382)	(2,599)
<b>Cash and cash equivalents at end of year</b>	<b>16,055</b>	<b>(382)</b>

**NORWICH CITY FOOTBALL CLUB PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2018**

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	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	<b>16,055</b>	1,449
Bank overdrafts	-	(1,831)
	<hr/>	<hr/>
	<b>16,055</b>	(382)
	<hr/>	<hr/>

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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### 1 ACCOUNTING POLICIES

#### (a) Basis of preparation of financial statements

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

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

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

#### (b) Going concern

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

Under all of these scenarios, based on these cash flow forecasts and expectations for player trading and the availability of future external finance as required from time to time, the Club can meet its liabilities as they fall due.

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

#### (c) Consolidated financial statements

The financial statements incorporate the financial statements of Norwich City Football Club PLC and its subsidiary undertakings. A separate profit and loss account has not been included for Norwich City Football Club PLC by virtue of Section 408 of the Companies Act 2006.

The associate holding in EventGuard Limited (of which the Company had a 24.9% share) was disposed of in March 2018. Its results therefore have been excluded from the consolidated financial statements from that point forward.

#### (d) Turnover

Turnover comprises net gate receipts and ticket sales, broadcasting and media revenue, catering, commercial, UEFA solidarity & prize money, and other income excluding value added tax. Turnover is the total amount excluding value added tax, receivable by the Group in the ordinary course of business. Net gate receipts and ticket sales are recognised when the match is played; sports contracts, television and sponsorship revenue are recognised in the season and financial year to which the income relates, or over the contract or sponsorship period; rental income is recognised over the rental period and all other income is recognised as it becomes receivable in line with the service provided.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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### 1 ACCOUNTING POLICIES (CONTINUED)

#### (e) Financial instruments

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

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

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

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

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

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

#### (f) Tangible fixed assets and depreciation

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

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

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

#### (g) Investment property

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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### 1 ACCOUNTING POLICIES (CONTINUED)

#### (h) Leases

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

#### (i) Stocks

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

#### (j) Taxation

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

#### (k) Deferred grant income

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

#### (l) Pensions

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

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

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

#### (m) Transfer income and intangible assets

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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### 1 ACCOUNTING POLICIES (CONTINUED)

#### (n) Impairment

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

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

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

#### (o) Provisions

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

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

#### (p) Foreign exchange

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

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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

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

**(a) Player impairments**

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

**(b) Onerous contracts**

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

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

**(c) Estimation of provisions**

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

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

**(d) Deferred taxation**

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 3 TURNOVER

Turnover in respect of the business operations comprised:

	2018 £'000	2017 £'000
Gate receipts and ticket sales	9,803	9,233
Broadcasting (FA & League income)	38,499	50,493
Media	223	142
Catering	4,085	4,263
Commercial	7,228	8,748
UEFA Solidarity & Prize Money	1,085	1,934
Other income	744	513
Total turnover	61,667	75,326

### 4 OPERATING EXPENSES

Total operating expenses comprised:

	2018 £'000	2017 £'000
Staff costs (note 7)	54,252	55,144
Depreciation of tangible fixed assets (note 14) - owned by the Group	1,746	1,889
Auditor's remuneration:		
- audit of the Company's financial statements	14	16
- other services - audit of the Company's subsidiaries	5	4
- tax services	176	3
- other accounting services	4	26
Operating lease rentals	520	573
Other operating expenses	12,022	15,908
Amortisation and impairment of intangible fixed assets (note 13)	68,739	73,563
	23,966	16,530
Total operating expenses	92,705	90,093

The total charge resulting from the impairment of player registrations was £9.4m (2017: £nil).

### 5 OTHER OPERATING INCOME

	2018 £'000	2017 £'000
Loan player income	2,025	547
Donations	25	19
	2,050	566



# **NORWICH CITY FOOTBALL CLUB PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2018

### **6 GAIN ON DISPOSAL OF PLAYERS' REGISTRATIONS**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Gain on disposal of players' registrations	<b>48,023</b>	<b>11,949</b>

### **7 STAFF COSTS**

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

	<b>Group &amp; Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>46,246</b>	<b>48,229</b>
Other employment costs (including loan players)	<b>2,189</b>	<b>847</b>
	<b>48,435</b>	<b>49,076</b>
Social security costs	<b>5,642</b>	<b>5,849</b>
Pension costs	<b>175</b>	<b>219</b>
	<b>54,252</b>	<b>55,144</b>

Included in staff costs are £12.2m (2017: £nil) of charges relating to the contracts of certain players whose registration value is impaired and whose contracts have been classified as onerous contracts.

The average monthly number of regular employees, including Directors, during the year ended 30 June 2018 was as follows:

	<b>Number of employees</b>	
	<b>2018</b>	<b>2017</b>
Directors	<b>7</b>	<b>7</b>
Football (including academy and football support staff)	<b>133</b>	<b>137</b>
Other	<b>151</b>	<b>162</b>
	<b>291</b>	<b>306</b>

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 8 DIRECTORS' REMUNERATION

	2018 £'000	2017 £'000
<b>Total Directors</b>		
Aggregate emoluments, fees and benefits	100	417
Contributions to money purchase pension schemes	8	-
Compensation for loss of office	-	712
	<u>108</u>	<u>1,129</u>
	<u><u>108</u></u>	<u><u>1,129</u></u>
	2018 £'000	2017 £'000
<b>Highest paid Director</b>		
Aggregate emoluments, fees and benefits	100	417
Contributions to money purchase pension schemes	8	-
Compensation for loss of office	-	712
	<u>-</u>	<u>712</u>
	<u><u>-</u></u>	<u><u>712</u></u>

### 9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £'000	2017 £'000
Bank interest receivable	21	31
Net gain on other financial instruments: forward currency contracts	-	6
Finance income on unwinding of discount on player receivables	662	772
	<u>683</u>	<u>809</u>
	<u><u>683</u></u>	<u><u>809</u></u>

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 10 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £'000	2017 £'000
Bank loans and overdrafts	134	144
Other similar charges	84	60
Exchange rate losses	131	218
	<hr/>	<hr/>
	349	422
Pension liability (note 26)	46	51
Finance charges on shares classified as liabilities: preference share dividends	70	77
Finance charges on unwinding of discounts on player liabilities	617	570
Other interest payable	103	135
	<hr/>	<hr/>
	1,185	1,255
	<hr/>	<hr/>

### 11 DIVIDENDS ON SHARES CLASSIFIED AS FINANCIAL LIABILITIES

	2018 £'000	2017 £'000
<b>Dividend payable</b>		
'A' preference shares	1	1
'B' preference shares	63	58
	<hr/>	<hr/>
	64	59
	<hr/>	<hr/>

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

#### a. Analysis of tax (charge)/credit for the year ended 30 June 2018:

	2018 £'000	2017 £'000
<b>Current tax</b>		
UK Corporation tax on profit/(loss) for the year ended 30 June 2018 (note 12b)	(4,969)	62
Prior period adjustment	-	(29)
	<hr/>	<hr/>
	(4,969)	33
<b>Deferred tax</b>		
Current period (note 21)	1,126	284
	<hr/>	<hr/>
Total tax (charge)/credit	(3,843)	317
	<hr/>	<hr/>

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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

#### b. Factors affecting the tax charge for the year ended 30 June 2018:

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

	2018 £'000	2017 £'000
Profit/(loss) on ordinary activities before tax	18,481	(3,064)
At standard rate of corporation tax in the UK of 19% (2017: 19.75%)	3,511	(605)
Expenses not deductible for tax purposes (net of income not taxable)	58	43
Fixed asset differences	159	394
Utilisation of losses brought forward	-	45
Adjustment in respect of prior periods	14	(36)
Tax reclaim on carry back of trading losses	-	(62)
Adjustment to deferred tax rates	134	(149)
Other temporary timing differences	(33)	53
	3,843	(317)

### 13 INTANGIBLE FIXED ASSETS

Group and Company	Players' registrations £'000
<i>Cost</i>	
At 1 July 2017	52,832
Additions	15,450
Disposals	(17,064)
At 30 June 2018	51,218
<i>Amortisation</i>	
At 1 July 2017	23,159
Charge for the year ended 30 June 2018	14,593
Disposals	(10,318)
Impairments	9,373
At 30 June 2018	36,807
Net book value at 30 June 2018	14,411
Net book value at 30 June 2017	29,673

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 14 TANGIBLE FIXED ASSETS

Group	Assets in the course of construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Investment property £'000	Total £'000
<i>Cost or valuation</i>						
At 1 July 2017	9	46,605	9,791	11	765	57,181
Additions	2,852	416	307	-	-	3,575
At 30 June 2018	2,861	47,021	10,098	11	765	60,756
<i>Depreciation</i>						
At 1 July 2017	-	21,537	8,099	11	-	29,647
Charge for the year ended 30 June 2018	-	1,436	310	-	-	1,746
At 30 June 2018	-	22,973	8,409	11	-	31,393
Net book value at 30 June 2018	2,861	24,048	1,689	-	765	29,363
Net book value at 30 June 2017	9	25,068	1,692	-	765	27,534

The net book value of freehold land and buildings comprises:

	2018 £'000	2017 £'000
<b>Assets at deemed cost</b>		
Land (not depreciated)	2,113	2,113
<b>Assets at cost</b>		
Land (not depreciated)	1,325	1,325
Buildings and infrastructure	20,610	21,630
	<b>24,048</b>	<b>25,068</b>

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 14 TANGIBLE FIXED ASSETS (CONTINUED)

Company	Assets in the course of construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Investment property £'000	Total £'000
<i>Cost or valuation</i>						
At 1 July 2017	9	46,774	9,791	11	765	57,350
Additions	2,852	416	307	-	-	3,575
At 30 June 2018	2,861	47,190	10,098	11	765	60,925
<i>Depreciation</i>						
At 1 July 2017	-	21,126	8,099	11	-	29,236
Charge for the year ended 30 June 2018	-	1,436	310	-	-	1,746
At 30 June 2018	-	22,562	8,409	11	-	30,982
Net book value at 30 June 2018	2,861	24,628	1,689	-	765	29,943
Net book value at 30 June 2017	9	25,648	1,692	-	765	28,114

The net book value of freehold land and buildings comprises:

	2018 £'000	2017 £'000
<b>Assets at adopted valuation</b>		
Land (not depreciated)	1,917	1,917
<b>Assets at cost</b>		
Land (not depreciated)	2,185	2,185
Buildings and infrastructure	20,526	21,546
	<b>24,628</b>	<b>25,648</b>

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

	2018 £'000	2017 £'000
Cost and net book value	<b>1,846</b>	<b>1,846</b>

#### Investment properties

The Company's investment property was valued at open market value on transition to FRS 102 at 1 July 2016 using actual contracted rental information and observed local commercial property yields. In the view of the Directors, having given the matter appropriate consideration, this valuation remains appropriate as at 30 June 2018.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 14 TANGIBLE FIXED ASSETS (CONTINUED)

The surplus on revaluation of investment property arising of £nil (Company - £nil) has been credited to the profit and loss for the year. All other tangible assets are stated at historical cost less depreciation and impairments.

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

	Group & Company	
	2018 £'000	2017 £'000
Historic cost	745	745
Accumulated depreciation and impairments	(174)	(170)
	<u>571</u>	<u>575</u>

### 15 FIXED ASSET INVESTMENTS

	Group Interest in associated undertaking £'000	Company Investment in associated undertaking £'000	Company Investment in subsidiary undertakings £'000
<i>Cost</i>			
At 1 July 2017	76	28	940
Share of result and movement in equity	-	-	-
At 30 June 2018	<u>76</u>	<u>28</u>	<u>940</u>
<i>Amounts written off</i>			
At 1 July 2017	-	-	940
Disposal	76	28	-
At 30 June 2018	<u>76</u>	<u>28</u>	<u>940</u>
Net book value at 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 30 June 2017	<u>76</u>	<u>28</u>	<u>-</u>

#### Subsidiary undertakings

The subsidiary undertakings, which were incorporated in England and Wales and are included within the consolidated financial statements at 30 June 2018, are as follows:

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 15 FIXED ASSET INVESTMENTS (CONTINUED)

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

#### Associated undertaking

Norwich City Football Club PLC disposed of its 24.9% share in EventGuard Limited in March 2018.

### 16 STOCKS

	Group and Company	
	2018	2017
	£'000	£'000
Goods for resale	502	993

The amount of stocks recognised as an expense in the statement of comprehensive income during the year was £2.6 million (2017: £2.4 million). A stock provision of £0.5 million was recognised in the year (2017: £0.3 million).

### 17 DEBTORS

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	7,417	7,352	7,417	7,352
Player debtors	42,363	12,019	42,363	12,019
Other debtors	388	324	304	241
Prepayments and accrued income	892	973	892	973
	51,060	20,668	50,976	20,585

Included in player debtors (Group & Company) above are amounts totalling £22.54m (2017: £0.01m) falling due after more than one year.

### 18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank overdrafts	-	1,831	-	1,831
Trade creditors	2,422	995	2,422	995
Player creditors	8,739	15,006	8,739	15,006
Receipts in advance	10,318	11,354	10,318	11,354
Other taxes and social security	11,386	7,546	11,386	7,546
Corporation tax	4,970	-	4,944	-
Dividends payable on shares classified as financial liabilities	64	64	64	64
Other creditors	209	189	209	189
Amounts owed to subsidiary undertakings	-	-	654	568
Accruals and deferred income	7,377	8,726	7,241	8,591
	45,485	45,711	45,977	46,144



# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Receipts in advance	-	141
5.25% 'A' preference shares of £1 each (note 23)	10	10
4.5% 'B' preference shares of £1 each (note 23)	1,419	1,419
Accruals and deferred income	303	389
Player creditors	5,058	3,099
Directors' loans	250	-
Other loans	4,849	-
	<b>11,889</b>	<b>5,058</b>

The 4.5% 'B' preference shares of £1 each are classified as repayable after one year. Where valid requests have been received, subject to the Company being permitted to do so in accordance with its Articles of Association, redemption will (subject to when the valid request was received) take place on 1 January 2020.

Other loans represents a Bond issue undertaken in April 2018 to raise funds for facilities at the Company's training ground. The Bond will be repaid in 5 years from the date of investment, with interest paid annually at 8% (5% cash payment and 3% Club credit).

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

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>In one to two years</b>		
Receipts in advance	-	141
4.5% 'B' preference shares of £1 each (note 23)	1,419	1,419
Accruals and deferred income	132	137
Player creditors	4,055	2,958
	<b>5,606</b>	<b>4,655</b>

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>In two to five years</b>		
Accruals and deferred income	171	252
Player creditors	1,003	141
Directors' loans	250	-
Other loans	4,849	-
	<b>6,273</b>	<b>393</b>

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>In more than five years</b>		
5.25% 'A' preference shares of £1 each	10	10

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 20 DEFERRED GRANT INCOME

	Group and Company 2018 £'000	2017 £'000
<b>Deferred grant income</b>		
At 1 July 2017	1,626	1,714
Credited to statement of comprehensive income	(88)	(88)
At 30 June 2018	1,538	1,626

### 21 PROVISION FOR LIABILITIES

#### Group:

	2018					2017			
	Onerous contract £'000	Deferred tax £'000	Property works £'000	Other taxation £'000	Total £'000	Deferred tax £'000	Property works £'000	Other taxation £'000	Total £'000
At 1 July 2017	-	2,676	1,473	735	4,884	2,960	1,673	-	4,633
Release/utilisation of provision	-	(1,126)	(259)	-	(1,385)	(284)	(200)	-	(484)
New provision	11,228	-	-	-	11,228	-	-	735	735
At 30 June 2018	11,228	1,550	1,214	735	14,727	2,676	1,473	735	4,884

#### Company:

	2018				2017		
	Onerous contract £'000	Deferred tax £'000	Other taxation £'000	Total £'000	Deferred tax £'000	Other taxation £'000	Total £'000
At 1 July 2017	-	2,676	735	3,411	2,960	-	2,960
Release of provision	-	(1,126)	-	(1,126)	(284)	-	(284)
New provision	11,228	-	-	11,228	-	735	735
At 30 June 2018	11,228	1,550	735	13,513	2,676	735	3,411

The provision for liabilities includes £1,214,000 in respect of property works which the Group is contractually obliged to complete. The amount represents the Directors' best current estimate of the cost of carrying out this work having taken professional advice.

The Company's deferred tax liability in respect of rolled over gains on disposal of player registrations of £1,550,000 arose in the prior year and partially reversed in the current year and the liability is expected to crystallise on the disposal of certain players' registrations, subject to the Company's ability to further defer future taxable gains on disposal.

The provision for other taxation of £735,000 relates to those amounts which the Company believes are probable and can be measured with sufficient reliability to quantify a provision.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 21 PROVISION FOR LIABILITIES (CONTINUED)

An onerous contract provision of £11,228,000 was established in the year and represents the remaining costs to fulfil the Company's obligations arising under contracts with players whose registration values have been impaired.

### 22 FINANCIAL INSTRUMENTS

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

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Financial assets</b>				
Basic financial assets that are measured at amortised cost	66,224	21,144	66,139	21,061
Other financial assets measured at fair value through profit or loss	-	6	-	6
	<u>66,224</u>	<u>21,150</u>	<u>66,139</u>	<u>21,067</u>
<b>Financial liabilities</b>				
Basic financial liabilities that are measured at amortised cost	(18,746)	(26,932)	(18,612)	(26,797)
	<u>47,478</u>	<u>(5,782)</u>	<u>47,527</u>	<u>(5,730)</u>

Other financial assets and liabilities measured at fair value through profit or loss comprise the value of forward foreign exchange contracts.

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

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

Impairment losses on financial assets related to credit losses on trade debtors totalling £0.6m in the year (2017: £0.1m).

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 23 CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
Allotted, called up and fully paid		
Equity interest		
616,913 (2017: 616,913) ordinary shares of £1 each	617	617
Interest in shares classified as financial liabilities		
9,675 (2017: 9,675) 5.25% 'A' preference shares of £1 each	10	10
14,186 (2017: 14,186) 4.5% 'B' preference shares of £1 each	14	14
Total interest in shares classified as financial liabilities	24	24

The holders of the 'A' preference shares have the right to preference dividends at a rate of 5.25% per annum on the nominal value in priority to holders of any other shares. The holders of 'B' preference shares have the right to a cumulative preferential cash dividend at 4.5% of issue price, subject to the payment of the 'A' preference dividend, but in priority to dividends on ordinary shares.

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

The holders of the 'B' preference shares have an option to redeem their shares in any year the Club achieves or retains promotion to the Premier League. The 'B' shares are redeemable at £100 per share and, as the earliest redemption date is January 2020, the shares have been classified as a liability due after one year.

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

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

### 24 RESERVES

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

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

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

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

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

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 25 CONTINGENT LIABILITIES

Additional payments amounting to a maximum of £22,478,323 (2017: £23,711,287) will become payable if certain conditions in transfer and player contracts at 30 June 2018 are fulfilled. Additional signing on fees up to a maximum of £1,701,618 (2017: £3,057,201) will become payable to players subject to the terms and conditions of their contracts being fulfilled.

### 26 PENSION SCHEMES

#### Money purchase pension scheme

During the year the Group participated in a money purchase scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the Group. Contributions to this scheme during the year ended 30 June 2018 amounted to £143,000 (2017: £156,000). At 30 June 2018 there were outstanding contributions of £26,000 (2017: £23,000).

#### Employees' personal pension schemes

During the year the Group made contributions to certain employees' personal pension schemes. Contributions to these schemes during the year ended 30 June 2018 amounted to £31,000 (2017: £61,000). At 30 June 2018 there were outstanding contributions of £3,000 (2017: £12,000).

#### Football League Final Salary Scheme

The Football League Final Salary scheme is administered nationally and is now closed to new members. The latest actuarial valuation, which was undertaken in 2014 indicated that the scheme remains in deficit and, in accordance with the scheme rules, Norwich City Football Club PLC, along with the other football clubs, are required to make payments to the pension scheme to reduce the deficit. Interest is charged by the pension scheme on the outstanding amount at approximately 7.6% per annum and interest of £46,000 (2017: £51,000) was payable during the year ended 30 June 2018. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately four (2017: five) years to August 2022. The total amount payable to the pension scheme at 30 June 2018, including accumulated interest, was £436,000 (2017: £520,000) and is included in accruals and deferred income.

### 27 OPERATING LEASE COMMITMENTS

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

	2018		2017	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date:				
Within one year	190	343	230	343
Between one and two years	190	58	230	173
Between two and five years	-	-	190	205
	<u>380</u>	<u>401</u>	<u>650</u>	<u>721</u>

### 28 RELATED PARTY TRANSACTIONS

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

	2018 £'000	2017 £'000
Aggregate emoluments	761	1,494
Pension scheme	60	18

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### Loans to Directors and their companies

At 30 June 2018, the following balances were outstanding on loans advanced to the Group and Company:

	Group and Company	
	2018 £'000	2017 £'000
Ms D A Smith and E M S Wynn Jones	250	-

### Transactions with Directors and their companies

	Group and Company Sales		Group and Company Purchases	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Ms D A Smith and E M S Wynn Jones (joint)	1	1	-	-
M M Foulger	22	23	-	-
Banham Poultry Limited (M M Foulger)	4	4	-	-

At 30 June 2018 and 30 June 2017 the following balances (inclusive of value added tax) were outstanding:

	Group and Company Sales ledger		Group and Company Purchase ledger	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Ms D A Smith and E M S Wynn Jones (joint)	-	-	-	-
M M Foulger	-	1	-	-
Banham Poultry Limited (M M Foulger)	-	-	-	-

### Canaries Bond

In the year, the following Directors invested in the Canaries Bond:

	£'000
E Balls	5
S J Phillips	25
T Smith	15
S Stone	20

The Bond will be repaid in 5 years from the date of investment, with interest paid annually at 8% (5% cash payment and 3% Club credit).

## 29 CONTROL

At 30 June 2018 Ms D A Smith and her husband and co-Director, E M S Wynn Jones owned 53% (2017: 53%) of the issued capital of the Company. The Board has therefore concluded that ultimate control of the Company vests in these related parties.

## **NORWICH CITY FOOTBALL CLUB PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2018

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#### **30 POST BALANCE SHEET EVENTS**

##### **Transfer of players' registrations**

Subsequent to the year end the Group has acquired the registrations of players E Buendia, T Pukki, M Leitner, T Krul, along with J Rhodes and F Passlack on season-long loans.

The Group is committed to payments of £4.2m in respect of these transactions with further payments due of £9.0m dependent on Club and/or player performance.