

NORWICH CITY FOOTBALL CLUB PLC

ANNUAL REPORT For the year ended 31 May 2005

DIRECTORS AND OFFICIALS

BOARD OF DIRECTORS:

R J Munby (Chairman)
B J Skipper (Vice Chairman)
M M Foulger
Ms D A Smith
E M S Wynn Jones

CHIEF EXECUTIVE:

N A Doncaster

COMPANY SECRETARY:

S D O'Hara (Director of Finance and Operations)

OTHER SENIOR EXECUTIVES:

N Worthington (Football Manager)
K Platt (Club Secretary)
A P Cullen (Director of Sales and Marketing)
L Greenstead-Benech (Head of Catering)

COMPANY NUMBER:

154044

REGISTERED OFFICE:

Carrow Road
Norwich
NR1 1JE

AUDITORS:

Grant Thornton UK LLP
Holland Court
The Close
Norwich
NR1 4DY

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NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE CHAIRMAN

I am delighted to present my third report as your Chairman, for what undoubtedly was a significant and formative year in the recent history of Norwich City Football Club. Whilst, for the end result of the 2004/2005 football season, I offer commiserations to both the team and their fans, I equally wish to congratulate all concerned on the process and development that we have been through. It was a year which provided the steepest learning curve in my memory, right across the business.

We are a business indivisibly connected to the community which we have the privilege to serve and your Board see themselves as custodians for the perpetuation and improvement of that relationship. It is this which primarily links our fans and their football team; their emotional and financial commitment and the integrity and endeavour of the players and management staff. To my mind, this points to the essence of our enterprise and I wish to congratulate both team and fans for their behaviour, support and performance last season. Relegation was always likely – as is the case for the vast majority of clubs promoted to the FA Premier League – but so nearly avoided. And when the curtain finally came down, all concerned handled the intense disappointment with character and dignity, remarked upon by the world of football.

Promotion to the Premiership was not a financial panacea. But our year in football's top flight did stabilise the Club's financial position and enabled substantial investment in a number of important areas. If promotion had not been achieved in 2004, the Club would undoubtedly have been forced to make player sales that summer. Promotion, despite our subsequent relegation, has put the Club in a situation where no players need to be sold for financial reasons during the season 2005/2006.

The importance of greater financial discipline in football is becoming increasingly apparent. Norwich City has realised for many years now that the Club must be structured to survive on the basis of its normal forecastable revenues – both on and off the pitch – and not rely on future possibilities which may never occur. It is also entirely likely that professional football clubs will increasingly count on their non-television revenues only, given the uncertainties surrounding future TV contracts.

Nor will finance houses, so keen to invest in football in the late 1990s, any longer lend for investment in players. But they will lend for well-planned assets which, in turn, yield revenues incremental to financing costs, which can then be channelled toward team strengthening. We follow this approach absolutely, and the construction of the Jarrold Stand and Norwich Union Community Stand are testament to that fact.

The extra investment in players over and above budgeted levels over the past two seasons has in part come from our body of shareholders. On the explicit declaration that all share income would go to team strengthening, the funding received prior to Christmas 2004 which helped to purchase players Darren Huckerby, Leon McKenzie and Mathias Svensson, and the non-redemption of B Preference Shares a year later, which supported Dean Ashton's acquisition, made the difference.

Beyond our finance, we must continue to punch above our weight, both on and off the field, as I believe we have done for the past four seasons. If our destiny were tied solely to current finance, we would settle somewhere in the middle of the Championship. In each of the past four seasons we have exceeded that and the thanks and congratulations of the Board go to Neil Doncaster, Nigel Worthington and his team, and Shaun O'Hara, Andrew Cullen and Lindsey Greenstead-Benech and their teams, in equal measure. In addition to performance, they have created our unique culture of togetherness – that together we are stronger. It is the belief of the Board that this culture must be defended and maintained, together with the strength of its relationship with our fan base.

Last year provided our inclusion in Britain's biggest sports survey, the Premier League's National Fan Survey. 4000 questionnaires were issued to a random selection from the fan databases of each of the 20 Premiership clubs: inviting fans' opinion on a wide range of subjects including factors governing match day experience, stadium safety, contact with the club and social and community involvement. The published report shows the relative performance of each club against the other 19. In every section, Norwich City rated above the Premiership average, and top or second in a number of critical areas surrounding the relationship between the club and its fan base. This was a wonderful result and encouragement for all concerned.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE CHAIRMAN (continued)

It is these values that lie behind our doctrine of 'prudence with ambition' (and I believe that the Club is beginning to prove the case that prudence is not only essential in the short term, but also in the long term). They are the surest way of realising our ambition to self-sustain in the higher echelons of English football. These values will see us through whatever bad times lie in our path, and underwrite our enjoyment of the good times.

And there will undoubtedly be occasions where patience and a firm grip on the values we have fought to create will be the only way forward.

On The Ball City!

Roger Munby

Chairman

23 September 2005



NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE CHIEF EXECUTIVE

On behalf of the executive team at Carrow Road, I present my report on the Group's trading results for the year ended 31 May 2005.

Financial summary

In any other industry, to be able to report a profit before taxation of over £9m on annual turnover that had increased by over 150% would be cause for considerable celebration. But this is football. And while there is much within this set of financial statements to be proud of, the fact remains that the year covered in these reports saw Norwich City Football Club relegated to the Championship.

There is a common misconception that promotion to the Premier League brings with it such untold riches that financial stability is virtually guaranteed for many years to come; that the Club's debt will have been virtually wiped out by last season's influx of SKY money. Such notions are a very long way from the truth.

It is certainly the case that the Club's financial position is stable and our debts are manageable. But despite making a profit before taxation of £9.2m, our net debt has actually increased from £18.1m to £18.5m over the course of our Premiership year.

Our stated policy of 'prudence with ambition' led the Club to invest substantially in a number of areas last season. Your Board chose to make considerable investment, both in team strengthening and in infrastructure, to enhance the prospects of the business going forwards.

Investment

In the financial year ended 31 May 2005, the Club paid substantial transfer fees to acquire a number of high-quality, sought-after players. However it was also necessary to invest in the playing squad through the payment of Premiership-level wages to the whole squad. Increasingly, only a small part of the cost of a player is reflected in the transfer fee paid for his registration. The cost to the Club of player wages, agents' fees, signing-on fees, image rights contracts and many other ancillary costs means that any investment in any promising player represents a huge financial outlay and, therefore, a huge risk.

The Club is acutely aware of the demand for seats at Carrow Road. The £3.2m investment in the Norwich Union Community Stand created an additional 1,685 seats and brought the capacity at Carrow Road up to 26,034. In the medium term we would like to further expand the capacity of our stadium. But to do so we need to find a way of financing this very sizeable investment.

Television and other income

The key reason for the huge jump in the Group's income, up to £37.4m from £13.9m, is television. In addition to the £20.4m received last year from the Premier League, the Club expects to receive around £6m of 'parachute payments' in each of the next two years.

However, it is by no means certain that future television income will remain at the heady levels currently enjoyed by English football's leading clubs. The Premier League is now into the second year of its three-year deal with SKY, which underpins the majority of the Premiership's income. The European Commission will no doubt be keenly interested in the next Premier League broadcasting contract. And in the meantime, the precise impact that this will have on the value of the next deal remains uncertain.

What is certain is that professional football clubs will increasingly look to their non-television revenues – both on and off the pitch.

In the year covered by these financial statements, the following highlights show the progress that has been made in such non-television revenues:

- To the end of season 2004/2005, 65 of the last 70 League matches at Carrow Road were 'home sell-outs'. We also sold out of season tickets, capping sales at 20,200 and with a further 2,000 supporters on the waiting list
- Delia's Canary Catering turned over nearly £3.5m in matchday and conference & banqueting income
- Travel Norwich City, our joint venture travel agency operation with the Travel Centre, enjoyed gross turnover of approximately £1.0m
- EventGuard Limited, our event stewarding and security company, announced a turnover of £227,000

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE CHIEF EXECUTIVE (continued)

- By the end of May 2005, £33m had been invested in Norwich and Peterborough Building Society Canary Accounts by more than 11,000 supporters
- The 'Drive Money Into The Canaries' partnership with Q8 garages led to over 400,000 litres of petrol being bought over the year through this scheme
- The Gold Bond, Golden Nugget and Golden Goal lotteries continued to deliver solid profitability to the Club
- Our telesales team took on new business from the likes of Sprowston Manor and other local companies keen to exploit our telebusiness skills
- The Club's official website, at www.canaries.co.uk, remains a valuable contributor to both our bottom line and our ability to communicate news to our supporters first
- Canary Financial Services supplies supporters with a full range of financial services advice and products.

For the financial year ended 31 May 2005, all of these enterprises made a substantial contribution to the revenues of the Norwich City group of companies. I would like to place on record my thanks to the staff of Norwich City Football Club for all of their hard work, imagination and unswerving loyalty to the Club, which have produced these critical income streams for your football club.

The creation of Yellow & Green, a design and marketing services business, will further enhance our product portfolio.

Last season we were delighted to announce Norwich Union's sponsorship of the Norwich Union Community Stand. The Club's income from all of its commercial (non-ticket related) activities increased from £4.5m to £5.3m.

The Group also has substantial holdings of land around Carrow Road. During financial year 2005/2006 we hope that our property dealings will continue to make a contribution to the Club's financial health. However, we are acutely aware that our core business is football and our policy in regard to property deals is more risk-averse than is the case in our core business. This will inevitably limit the profit that can be made from our land assets. But it will also help to insulate the Group from the wilder swings of sentiment that can affect trading in property.

Outlook and prospects


Any view that your Club is awash from cash from its year in the Premiership is wholly misplaced. But enormous strides have been made in recent years to build new sources of revenue – income that relies on the enormous power of the Club's brand and on the unparalleled loyalty of our marvellous supporters. Norwich City Football Club is well placed to succeed in the future.

Expectation levels among some supporters will no doubt rise as we continue with our efforts to propel the Club forward. Whatever the future holds, we will do our utmost to achieve, on and off the field, and to ensure that you can be proud of your football club as a forward looking, family orientated, community club.

Your Board of Directors and executive management team are determined not to risk the long-term financial health of the business, as so many other clubs have done, by taking excessive risks. But within the boundaries of 'prudence with ambition', everything that can be done will be done to continue our pursuit of long-term success.

On The Ball City!

Neil Doncaster
Chief Executive
23 September 2005



NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTOR OF FINANCE AND OPERATIONS

Key Financial Highlights

- Promotion to the Premier League generated over £20m of additional income
- Group profit before tax of £9.2m
- Investment in the playing squad of £5.7m in transfer fees (and related transfer costs) plus a 100% increase in the player wage budget
- The construction of the Norwich Union Community Stand at a cost of £3.2m, financed by short-term funding provided by Bank of Scotland
- Legacy from G Watling of £1.5m to repay loan to Geoffrey Watling (Norwich) Limited
- Redemption of £0.5m of B preference shares.

Profit and Loss Account

Turnover

Turnover increased by £23.5m to £37.4m. The most significant increases in income were:

- (1) Premier League television and other media income of £18.4m, made up as follows:
 - Basic television award: £8.8m
 - Other media and overseas income: £6m
 - Facility fees of, on average, £0.3m per game for 12 games: £3.6m
- (2) Gate receipts and ticket revenue increased by £2.9m, due mainly to the full opening of the Jarrold Stand and the construction of the Norwich Union Community Stand. In addition, the Club benefited from a higher than average number of away supporters and the flexible segregation arrangements in the Jarrold Stand.
- (3) Catering income increased by £0.75m, benefiting from a full year of the Jarrold Stand, and continued strong growth of its non-matchday business.
- (4) Commercial income increased by £0.8m, benefiting from increased advertising and sponsorship opportunities.

Wages and Salaries

Total wages and salaries increased by £4.7m to £16.9m. However, excluding promotion bonuses, which were accounted for in the previous financial year, the actual increase in wages and salaries was £6.4m. The majority of the increase is due to the substantially higher cost of players' wages in the Premier League. The player wage ratio (the percentage of turnover spent on wages) however, decreased to 28% for 2004/2005 compared to 42% (excluding promotion bonuses), reflecting the significant increase in turnover highlighted above.

Other Operating Income

The Club's former President, Geoffrey Watling, gifted £1.5m to the Club under his will, to repay an outstanding loan owed by the Club to his company, Geoffrey Watling (Norwich) Limited. It is important to note that this generous legacy did not generate £1.5m of additional funds for the Club as it was a condition of the legacy that the funds be used to repay the loan.

Operating Expenditure (excluding wages)

Excluding wages, the Club's operating expenditure increased by £3.9m. The primary reasons for the increase were:

- (1) Capital investment in the Stadium has increased the depreciation charge in the year by £0.5m to £1.2m per annum
- (2) Amortisation of player contracts increased by £1.25m entirely due to committed expenditure of £5.7m in the last financial year, together with promotion-triggered transfer fees accounted for in the financial year ended 31 May 2004
- (3) Increased direct costs as a result of higher retail and catering turnover, totalling £0.2m
- (4) Further investment in the sports science and physiotherapy departments, totalling £0.3m
- (5) Additional policing and security costs on match days, totalling £0.1m
- (6) Increased stadium running costs, particularly utilities, totalling £0.1m.

Interest Payable

Interest payable has increased by £0.1m, reflecting the short-term loan secured to support the construction of the Norwich Union Community Stand.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTOR OF FINANCE AND OPERATIONS (continued)

Balance Sheet

Intangible Fixed Assets

Promotion to the Premier League, together with shareholders choosing not to redeem £1.2m of B Preference shares, enabled the Club to commit £5.7m of funds on transfer fees during the year, with £2.5m of that total being invested in the Club's record signing Dean Ashton. Of the total invested, £1.8m remained outstanding at the year end.

Fixed Assets

During the year, the Club continued its programme of investment in the Stadium with the construction of the Norwich Union Community Stand, providing 1,685 additional seats and significantly improved disabled facilities at a total cost of £3.2m (although only £2.8m has been accounted for in these financial statements). In addition, the Club completed the £1.3million fit-out of the third floor of the Jarrold Stand, providing a modern dining facility called 'the Business', feeding up to 150 guests on matchdays, and 15 new executive boxes with dining facilities.

In addition, the Board committed to the reconstruction of the Carrow Road pitch (£0.9m), new modern offices for Football in the Community (£0.26m), new press facilities (£0.1m), improvements to the McCain Health and Fitness Centre at Colney, including enhancements to the gym and physiotherapy rooms (£0.14m).

Debt

Overall, the Group debt position has worsened marginally from £18.1m to £18.5m. There have been two significant movements in the debt position this year:

- (1) Repayment of £1.5m to Geoffrey Watling (Norwich) Limited; and
- (2) £3m short-term funding provided by Bank of Scotland to support the construction of the Norwich Union Community Stand. It is expected that this debt will be repaid over the medium term as other property assets are turned into cash.

After two years of interest-only payments on the Club's £15m loan notes, capital repayments commenced in May 2005, with the first repayment totalling £0.3m.

Cashflow

Despite promotion to the Premier League and the significant increase in income, the Club's effective cash position only improved by £0.7m. During the year, the Club generated £10.2m of positive cashflow from operating activities. This together with the £3m short-term loan from Bank of Scotland (explained above) enabled the Club to invest £10m in players and Stadium development, to redeem £0.5m of B preference shares and service and repay debt of £2.5m.

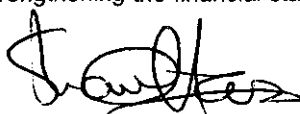
Financial Outlook

Relegation to the Championship has without doubt had a major impact on the financial position of the Football Club. However, the impact will be lessened by the re-structuring of the Club's finances two years ago, the expected £6m of 'parachute money' from the Premier League for each of the next two years, excellent season ticket and casual gate sales and continued growth in merchandising, catering and sponsorship income. As a result, the Board approved a player wage budget for the current Championship season significantly higher than that in the last year the Club was in the Football League.

The Board has also committed a further £1m to fit-out and development projects, including new office facilities let out to third parties, which generate rental income of £0.1m per annum, a new modern ticket office, a new Study Support Centre in conjunction with Norfolk County Council and new executive match-day facilities.

The Club is also working very hard to bring various property transactions to a conclusion, which will enable the Club to reduce its overall debt position, thus strengthening the financial stability of the Club.

Shaun O'Hara
Director of Finance and Operations
23 September 2005



NORWICH CITY FOOTBALL CLUB PLC

COMMUNITY REPORT For the year ended 31 May 2005

The past year saw us engage in several new community initiatives including our pre-season tour with Proton to Malaysia in July 2004 where over 1,000 children were coached by our Football in the Community scheme and a number of local businesses joined the tour to cement new business links in South East Asia.

In November Football in the Community moved to new offices in the Jarrold Stand and so are positioned very much at the "front door" of Norwich City Football Club.

A new scheme called "Fair Play", developed in conjunction with Flegg High School was launched in February. "Fair Play" is designed to develop young people's confidence in dealing with their peers and improve their approach to citizenship.

In March the completion of the Norwich Union Community Stand saw new improved facilities opened for our disabled supporters. The same stand saw the Study Support Centre move into new purpose built classrooms there during the summer of 2005.

A summary of these and many other different community activities that took place between June 2004 and May 2005 is detailed below within this report.

Football in the Community

Football in the Community (FITC) is officially registered as a charity (Charity Reg. No: 1088239). A board, comprised of representatives from the Norfolk County Football Association, the Professional Footballers Association and Norwich City Football Club, manages the operation.

In 2004/2005 the scheme coached 42,024 individuals in the local community. This was comprised of:

19,500	Children participating in free coaching day visits
3,260	Children coached in After School Clubs
975	Children coached in School Games Assistant Lessons
6,946	Children participating in Holiday Soccer Schools
926	Children on Multi-Sports Holiday Courses
1,371	Boys attending Player Development Centres
2,559	Attending Match Day Clubs
2,982	Attending FITC Soccer Centres (evening coaching clubs)
365	Children attending the FITC Goalkeeping Programme
1,281	Girls coached in Centre of Excellence and Girls Development Programme
1,859	People participating in Ability Counts (Special Needs and Disability).

The Summer Cup tournament run by FITC for local youth football clubs continues to be an integral part of many clubs' summer calendar. 210 teams attended the weekend's football festival in June 2004.

In December 2004 FITC moved into new purpose built offices in the Jarrold Stand.

FITC also introduced a new Disability Programme working with local special needs schools, Adult Day Care Centres and various community groups to provide structured sustainable football opportunities.

Study Support Centre

The Study Support Centre is an after-school learning programme in which young people from local schools participate on a voluntary basis. It is part of the hugely successful national initiative called 'Playing for Success' which has established such centres at 150 sporting venues across the country. The Centre aims to improve motivation and self-confidence and assist in the raising of achievement in literacy, numeracy and ICT skills.

The Centre is open five days a week in term time for after-school sessions. Pupils attend one evening a week for 10 weeks. The students complete work designed to assist in raising the achievement of individuals and which links in with football and Norwich City Football Club.

The Centre also runs some very popular IT classes for the Over 50's with 5 classes throughout the week. In the school holidays fun, short, educational courses are run. There is also an opportunity for Academy Scholars to use the facilities as part of their educational commitments.

NORWICH CITY FOOTBALL CLUB PLC

COMMUNITY REPORT (continued) For the year ended 31 May 2005

Norwich City players are involved in handing out prizes, certificates and talking to the students. In addition a link has been established with Colney for younger players to visit the centre prior to a game.

24 schools sent 360 pupils to the Study Centre between 1 June 2004 and 31 May 2005. A further 850 children participated in programmes run during the school holidays and term time.

The Centre also attracted over 500 adults to courses during the same period.

Other users include Norfolk Adult Education Service who operate a basic skills literacy course, Norfolk Visiting Teacher Service for students not attending school and Easton College who run accredited CLAIT (Computer Literacy and Information Technology) sessions.

Some new projects this year have included working with Princes Trust XL Clubs; a modern foreign language course run with Notre Dame High; "Kick it Off, Throw it Out" a racism and citizenship project; Premier League Reading Stars with player Paul McVeigh; and a unique project Wednesday and Friday FC which run educational sessions linked to football during the school day.

The Centre is working with three schools using our online resource that takes motivational literacy and numeracy activities based on football with the minimum requirement being an internet connection, thus allowing more students the opportunity to become involved in the Centre. These students are rewarded with tickets, tours of the ground and meeting a player at a celebration event.

International links have been established with education communities in Norway, France and Russia and this is an area we hope to develop further in the forthcoming year.

'When Saturday Comes' is a family literacy session that encourages collaborative working and teamwork. All students are rewarded with tickets to a first team game and every session has been a huge success so far.

Norfolk LEA was chosen as one of only three authorities to pilot a scheme whereby 'Playing for Success' Centres are set up on school sites with the aim of replicating the impact of the Centre at Carrow Road. This initiative is linked into the Specialist Sports Colleges - namely Framingham Earl, Thorpe St. Andrew and King Edward VII High Schools. To date over 700 students have participated in the scheme. Two more schools, Cliff Park High and Taverham High, are due to join the scheme in Sept 2005. Due to the success of the Centre at Carrow Road, Norfolk Children's Services have established a 'Playing for Success' scheme at North Walsham Rugby Club and have plans to open another centre in King's Lynn later this year.

Learning Through Football

34 day visits to Carrow Road were organised for different schools for a full educational day. 1,067 pupils attended these special days. In addition to this ground and stadium tours were organised for 79 groups (2,370 individuals).

Associate Group Scheme

The Club's Associate Group scheme involved 132 local schools and youth groups. The scheme enables young people to have access to cut price tickets as well as opportunities to be ballboys or ballgirls as well as other promotional activities.

5,298 people took advantage of reduced price tickets for matches played in the 2004/2005 season.

468 different children were ballboys or ballgirls at first team and reserve matches.

920 children played in six-a-side matches on the Carrow Road pitch prior to first team matches.

8,500 people from the scheme were invited to watch reserve team football free of charge.

NORWICH CITY FOOTBALL CLUB PLC

COMMUNITY REPORT (continued) For the year ended 31 May 2005

Canaries for the Community

The Canaries for the Community scheme once again saw volunteer Duncan MacInnes make weekly visits to the Norfolk and Norwich University Hospital. Duncan is fully equipped with laptop and Norwich City publications to talk to patients of all ages in twelve wards on all aspects of Norwich City. The Club is grateful to Ian Winter at the BBC for providing a weekly video of goals and match action throughout the season to be shown in the hospital.

Two community projects were completed during the summer of 2004. Norwich City supporters carried out remedial groundwork at Thetford Town FC while a second project saw supporters create a garden in the ruins of the 12th century St Michaels Church Bowthorpe, opening up an overgrown path, strimming, raking, weeding and generally tidying up the churchyard.

The Club remains extremely grateful yet again for the outstanding commitment of Duncan MacInnes who has now overseen this project on a voluntary basis for over two years and also to Norwich Union once again for their increased sponsorship, providing all the necessary resources and travelling expenses for our team of volunteers. Also player Simon Charlton agreed to become patron of the Canaries for the Community scheme.

Charity Donations

The Club receives a large volume of requests from charities and good causes. Our policy is to support appropriate locally based requests and over 1,200 charities voluntary groups were positively supported in the financial year with donations of one kind or another.

However, the Club made a significant departure from this policy in January 2005 when it decided to make a £50,000 donation to the victims and those survivors directly affected by the Tsunami in Malaysia. On behalf of Norwich City Football Club, Andrew Cullen presented the money in Penang in July 2005 to representatives from 11 schools in Langkawi, Penang and Kedah. 1,058 children were each given a bank account with £45 with the balance distributed equally amongst the eleven schools. The Club is grateful to Proton Cars for its help in identifying those most affected and its assistance in distributing the money to the most deserving causes.

Malaysia Pre season Tour June 2004

The Club's first ever pre season tour to Malaysia, in June 2004, saw the first team accompanied by three coaches from Football in the Community to conduct a series of soccer schools across Malaysia over two weeks. Over 1,000 children of all abilities received coaching in seven different locations with players joining in coaching sessions in the second week of the tour.

The Club was also joined by a trade mission of 20 businesses from Norfolk and Suffolk, which resulted in a number of new business contacts and networks being established.

Fair Play

Fair Play is a new community scheme designed by Flegg High School in partnership with Norwich City Football Club, Wherry Housing Trust and Norfolk Healthy Schools. It aims to empower young people to be successful and to raise their aspirations.

The scheme is designed to equip young people with negotiation and presentation skills to enable them to become active members of the community in the short term (school) and the long term (workplace).

The Club hosted the launch of the scheme at Carrow Road in February 2004, which was attended by the majority of Norfolk High Schools. The next stage of development will see the Club host training seminars in conjunction with FITC and Study Support so that the scheme can cascade throughout schools in the county.

Disabled Facilities

New disabled facilities in the Norwich Union Community Stand were opened in March 2005.

The new facilities, which were developed in full consultation with disabled supporters, offer an option for supporters to sit inside behind glass or outside at various points in the Jarrold and Norwich Union Community Stands.

The new facilities have seen wheelchair spaces increase from 40 spaces to 89 spaces and ambulant disabled spaces increase from 35 spaces to 152 spaces.

NORWICH CITY FOOTBALL CLUB PLC

COMMUNITY REPORT (continued) For the year ended 31 May 2005

Meanwhile a new disabled supporters working group was established which meets with Club officials every six weeks to ensure that access and facilities are continuously improved and new initiatives developed in the interests of all supporters with disabilities and their immediate families.

Supporter Forums

The Club held Supporter Forums at Hellesdon, Great Yarmouth, Mundesley and Barnham Broom. The Board of Directors also attended the Capital Canaries AGM at Swiss Cottage and the Northern Canaries AGM in Blackpool. Over 1,000 supporters attended the forums, putting questions on a variety of topics to key Club personnel.

The Club also held a consultative meeting with supporters in the Geoffrey Watling City Stand affected by proposed changes to the press box necessary to meet FA Premier League regulations.

A consultative meeting was also held with season ticket holders in the Lower Barclay to jointly resolve the issue of persistent standing in that area.

Supporters Consultative Group

The Supporters Consultative Group (SCG) met on eight occasions between 1 June 2004 and 31 May 2005. Chaired by Roger Munby, the Group is currently comprised of 17 individuals.

The Group is designed to enable supporters from different interest groups to discuss matters with the Norwich City Football Club Board and senior management, covering a diverse range of issues that affect supporters. Minutes of the meetings are published on the Club's website.

Members of the SCG continue to give up their time to voluntarily join a number of different working groups. These include pricing, away ticketing, member selection, club heritage, disabled supporter issues, travel, long distance supporters and young supporters.

The Club once again would like to thank all the SCG members for all their hard work and total commitment to this important regular communication process between the Board and supporters.

Other Events

The Club entered a float in Norwich's Lord Mayor's Procession in July 2004. It was also represented at the Norfolk Show in June 2004.

The Club's annual Christmas party for younger supporters was fully booked and attended by 510 children in December 2004.

Special Community Projects

The financial year saw Club employees continue to participate in a number of different community schemes. Neil Doncaster provided advice to pupils from Norwich School and Norwich High School for Girls in the Young Enterprise Scheme. Andrew Cullen continued to be a member of the Partnership Board of Norfolk Connexions. Goalkeeper, Robert Green and Club Captain, Craig Fleming continued their work as patrons of the Matthew Project.

Andrew Cullen

Director of Sales and Marketing
23 September 2005



NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS

The directors present their report and the consolidated financial statements for the year ended 31 May 2005.

Principal activity

The group's principal activity is that of a professional football club.

Business review

A review of the activities and a commentary on the financial performance can be found within the Reports of the Chairman, the Chief Executive, the Director of Finance and Operations and the Community Report.

Charitable donation

During the year the group made a charitable donation of £50,000 to the Tsunami appeal.

Results and dividends

The profit for the year after taxation amounted to £7,666,303 (2004: loss £1,765,301).

A dividend on the 'A' preference shares of £508 (2004: £508) and on the 'B' preference shares of £50,710 (2004: £212,917) has been reserved for the year ended 31 May 2005. A dividend of £11,508 was paid, for the period from 1 June 2004 to the date of redemption, in the year on 4,824 £1 'B' preference shares.

Redemption of preference shares

During the year, following the Club's promotion to the Premier League, 4,824 £1 'B' preference shares were redeemed at £100 each, a total cost to the group of £482,400.

Post balance sheet events

As detailed in note 35 to the financial statements, the group purchased and sold the registrations of a number of individuals in the period from 1 June 2005 to 23 September 2005.

Directors

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

	Ordinary shares of £1 each		'B' preference shares of £1 each	
	31 May 2005	1 June 2004	31 May 2005	1 June 2004
R J Munby	244	244	-	-
M M Foulger	18,200	18,200	1,450	1,450
B J Skipper	5,200	5,200	150	150
Ms D A Smith	100	100	-	-
E M S Wynn Jones	100	100	-	-
Ms D A Smith and E M S Wynn Jones (jointly)	281,350	281,350	3,000	3,000

None of the directors had a beneficial interest in the 'A' preference shares.

Freehold land and buildings

During the year the group has incurred expenditure of £5,897,817 on improvements to the stadium, including the pitch refurbishment, the completion of the fit-out to the third floor in the Jarrold Stand and the completion of the new Norwich Union Community Stand.

In the opinion of the directors, the market value of the land and buildings at 31 May 2005 would exceed the book value included in the financial statements, but they are unable to quantify this excess in the absence of a full professional valuation, the costs of which are not considered justifiable in view of the group's intention to retain ownership of the football stadium and training facilities at Colney for use in its existing business for the foreseeable future.

NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE DIRECTORS (continued)

Payments to suppliers

The group's policy in relation to all its suppliers is to settle the terms of payment when agreeing the transaction and to abide by those terms, provided that it is satisfied that the supplier has provided the goods or service in accordance with the agreed terms and conditions. The group does not follow any code or standard of payment practice.

The ratio expressed in days between amounts invoiced to the group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 34 (2004: 35) days.

Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Roger Munby
Chairman
23 September 2005



NORWICH CITY FOOTBALL CLUB PLC

REPORT OF THE INDEPENDENT AUDITORS to the Members of Norwich City Football Club PLC

We have audited the financial statements of Norwich City Football Club PLC for the year ended 31 May 2005 which comprise the consolidated profit and loss account, the note of historical cost profits and losses, the balance sheets, the consolidated cash flow statement, the reconciliation of net cash flow to movement in net debt and notes 1 to 35. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the annual report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises the Report of the Chairman, the Report of the Chief Executive, the Report of the Director of Finance and Operations, the Community Report and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the group and the company's affairs as at 31 May 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
NORWICH
23 September 2005

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2005

	Note	Operations excluding player trading £	Player trading £	2005 Total £	2004 Total £
Turnover	1, 2	37,425,357	-	37,425,357	13,928,494
Operating expenses	3	(25,993,231)	(2,321,087)	(28,314,318)	(19,730,990)
Other operating income - exceptional	4	1,500,000	-	1,500,000	-
Operating profit/(loss)		12,932,126	(2,321,087)	10,611,039	(5,802,496)
Profit on disposal of fixed assets		-	-	-	4,027,565
Gain on disposal of players' registrations	11	-	190,713	190,713	56,783
Profit/(loss) before interest and taxation		12,932,126	(2,130,374)	10,801,752	(1,718,148)
Interest receivable	7			73,269	92,698
Interest payable	8			(1,708,718)	(1,639,851)
Profit/(loss) on ordinary activity before taxation				9,166,303	(3,265,301)
Tax on profit/(loss) on ordinary activity	9			(1,500,000)	1,500,000
Profit/(loss) on ordinary activity after taxation				7,666,303	(1,765,301)
Equity minority interest				(10,938)	(13,049)
Profit/(loss) for the financial year				7,655,365	(1,778,350)
Dividends and appropriations on non equity shares:					
Dividends paid and proposed	10			(260,749)	(237,510)
Appropriated in the previous year				213,425	-
Profit/(loss) for the year - transferred to/(from) reserves	24			7,608,041	(2,015,860)

All amounts relate to continuing operations.

All recognised gains and losses are included in the profit and loss accounts above.

A statement of movements in reserves is given in notes 23 and 24.

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

NORWICH CITY FOOTBALL CLUB PLC

NOTE OF HISTORICAL COST PROFITS AND LOSSES For the year ended 31 May 2005

	2005 £	2004 £
Reported profit/(loss) on ordinary activity before taxation	9,166,303	(3,265,301)
Difference between historical cost profit on disposal of tangible fixed assets and actual profit on sale of tangible fixed assets for the year calculated on the revalued amount	-	664,661
Historical cost profit/(loss) on ordinary activity before taxation	9,166,303	(2,600,640)
Historical cost profit/(loss) for the year retained after taxation, equity minority interest and dividends	7,608,041	(1,351,199)

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

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED BALANCE SHEET At 31 May 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Intangible fixed assets	12		5,058,525		1,673,913
Tangible fixed assets	13		35,277,518		29,633,379
			<u>40,336,043</u>		<u>31,307,292</u>
Current assets					
Stocks	15	398,123		276,519	
Debtors: amounts due within one year	16	7,659,391		5,698,956	
Debtors: amounts due after more than one year	16	-		3,900,000	
Cash at bank and in hand		2,990,446		1,555,443	
		<u>11,047,960</u>		<u>11,430,918</u>	
Creditors: amounts falling due within one year	17	(14,552,920)		(13,743,724)	
Net current liabilities			<u>(3,504,960)</u>		<u>(2,312,806)</u>
Total assets less current liabilities			<u>36,831,083</u>		<u>28,994,486</u>
Creditors: amounts falling due after more than one year	18		(20,670,159)		(20,396,752)
Accruals and deferred income	19		(2,118,241)		(2,001,155)
Provisions for liabilities and charges	20		(500,000)		-
Net assets			<u>13,542,683</u>		<u>6,596,579</u>
Capital and reserves					
Called up share capital	22		512,899		517,388
Share premium account	23		8,895,150		8,871,285
Revaluation reserve	23		71,242		71,242
Capital redemption reserve	23		34,205		29,381
Profit and loss account	24		4,011,088		(2,901,128)
Shareholders' funds					
Equity			490,703		490,579
Non equity			13,033,881		6,097,589
	25		<u>13,524,584</u>		<u>6,588,168</u>
Equity minority interest			18,099		8,411
			<u>13,542,683</u>		<u>6,596,579</u>

The financial statements were approved by the board of directors on 23 September 2005.

R J Munby Chairman

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

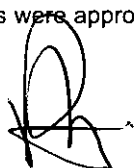
NORWICH CITY FOOTBALL CLUB PLC

COMPANY BALANCE SHEET At 31 May 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Intangible fixed assets	12		5,058,525		1,673,913
Tangible fixed assets	13		32,807,288		27,170,450
Fixed asset investments	14		435,688		940,552
			<u>38,301,501</u>		<u>29,784,915</u>
Current assets					
Stocks	15	398,123		276,519	
Debtors: amounts due within one year	16	7,312,204		7,089,562	
Debtors: amounts due after more than one year	16	-		1,500,000	
Cash at bank and in hand		2,084,402		1,504,674	
		<u>9,794,729</u>		<u>10,370,755</u>	
Creditors: amounts falling due within one year	17	(13,596,219)		(12,784,622)	
Net current liabilities			<u>(3,801,490)</u>		<u>(2,413,867)</u>
Total assets less current liabilities			<u>34,500,011</u>		<u>27,371,048</u>
Creditors: amounts falling due after more than one year	18		(17,099,884)		(17,224,299)
Accruals and deferred income	19		(2,118,241)		(2,001,155)
Net assets			<u>15,281,886</u>		<u>8,145,594</u>
Capital and reserves					
Called up share capital	22		512,899		517,388
Share premium account	23		8,895,150		8,871,285
Revaluation reserve	23		71,242		71,242
Capital redemption reserve	23		34,205		29,381
Profit and loss account	24		5,768,390		(1,343,702)
Shareholders' funds					
Equity			490,703		490,579
Non equity			14,791,183		7,655,015
			<u>15,281,886</u>		<u>8,145,594</u>

The financial statements were approved by the board of directors on 23 September 2005.

R J Munby Chairman



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

NORWICH CITY FOOTBALL CLUB PLC

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 May 2005

	Note	2005		2004	
		£	£	£	£
Net cash inflow from operating activity	26		10,163,200		255,385
Returns on investments and servicing of finance	27		(1,931,755)		(1,507,003)
Capital expenditure and financial investment	27		(9,775,941)		(10,556,725)
			<u>(1,544,496)</u>		<u>(11,808,343)</u>
Financing					
Grant income	19	200,000		-	
Issue and redemption of shares	27	(458,200)		1,675,050	
Increase in debt	27	2,535,350		8,532,574	
			<u>2,277,150</u>		<u>10,207,624</u>
Increase/(decrease) in cash in the year			<u>732,654</u>		<u>(1,600,719)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

For the year ended 31 May 2005

	Note	2005	2004
		£	£
Increase/(decrease) in cash in the year	28	732,654	(1,600,719)
Cash inflow from increase in debt	28	(2,535,350)	(8,532,574)
		<u>(1,802,696)</u>	<u>(10,133,293)</u>
Non cash movement in finance leases and hire purchase contracts		(79,500)	-
Legacy from G C Watling to satisfy loan from Geoffrey Watling (Norwich) Limited		1,500,000	-
		<u>(382,196)</u>	<u>(10,133,293)</u>
Change in net debt resulting from cash flows		<u>(382,196)</u>	<u>(10,133,293)</u>
Net debt at 1 June 2004		(18,096,886)	(7,963,593)
Net debt at 31 May 2005	28	<u>(18,479,082)</u>	<u>(18,096,886)</u>

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

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention as modified by the revaluation of certain freehold property. In addition, the financial statements have also been prepared in accordance with the document 'Financial Reporting Guidance for Football Clubs' issued by The Football League, The FA Premier League and the FA.

1.2 Consolidated financial statements

The financial statements incorporate the financial statements of Norwich City Football Club PLC, and its subsidiary undertakings. The financial statements of all group undertakings are made up to 31 May 2005. A separate profit and loss account has not been included for Norwich City Football Club PLC by virtue of Section 230(4) of the Companies Act 1985. The profit for the year before dividends relating to this company of £7,855,241 (2004: loss of £2,916,995) is included in the consolidated profit and loss account.

1.3 Turnover

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

1.4 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:

Assets in the course of construction	- not depreciated until brought in to use
Freehold land	- not depreciated
Freehold buildings	- straight line over 50 years or remaining useful life if less
Plant and machinery	- straight line over 5 to 6 years
Motor vehicles	- straight line over 5 years

In adopting Financial Reporting Standard 15 'Tangible Fixed Assets', the directors have chosen to adopt the transitional rule by retaining the book amount rather than adopting the latest valuation or reverting to historical cost.

1.5 Leases

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

1.6 Stocks

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

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

ACCOUNTING POLICIES (CONTINUED)

1.7 Taxation

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

1.8 Pensions

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

1.9 Deferred grant income

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

1.10 Transfer income and intangible assets

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

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

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

1.11 Finance costs

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

2 TURNOVER

Turnover in respect of the business operations comprised:

	2005 £	2004 £
Gate receipts and ticket sales	7,771,865	4,904,291
Football Association and league income	20,372,387	1,100,639
Catering	3,480,144	2,733,285
Commercial	5,319,890	4,505,842
Grant income	-	330,000
Eventguard	226,908	188,692
Other income	254,163	165,745
	<u>37,425,357</u>	<u>13,928,494</u>

All turnover arose within the United Kingdom.

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

3 OPERATING EXPENSES

Total operating expenses comprised:

	2005 £	2004 £
Staff costs (note 5)	16,915,217	12,182,293
Depreciation of tangible fixed assets (note 13)		
- owned by the company	1,175,968	704,020
- held under finance leases and hire purchase contracts	33,803	40,635
(Profit)/loss on disposal of tangible fixed assets	(562)	4,184
Auditors' remuneration	19,000	19,000
Other services provided by the auditors	20,490	18,630
Operating lease rentals - hire of plant and machinery	19,599	22,418
Other operating expenses	7,809,716	5,666,558
	<u>25,993,231</u>	<u>18,657,738</u>
Amortisation of intangible fixed assets (note 12)	2,321,087	1,073,252
	<u>28,314,318</u>	<u>19,730,990</u>

Other services provided by the auditors were for tax compliance and advisory services.

4 OTHER OPERATING INCOME - EXCEPTIONAL

	2005 £	2004 £
Legacy from G C Watling to satisfy loan from Geoffrey Watling (Norwich) Limited	1,500,000	-

5 STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2005 £	2004 £
Wages and salaries	14,939,667	8,633,338
Bonuses payable on promotion to Premier League	-	1,655,257
Other employment costs (including loan players)	274,963	709,796
	<u>15,214,630</u>	<u>10,998,391</u>
Social security costs	1,517,751	1,086,033
Pension costs (note 31)	182,836	97,869
	<u>16,915,217</u>	<u>12,182,293</u>

The average monthly number of regular employees during the year was as follows:

	Number of employees	
	2005	2004
Football (including academy and football support staff)	74	73
Other	127	112
	<u>201</u>	<u>185</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

6 DIRECTOR'S REMUNERATION

	2005 £	2004 £
Aggregate emoluments (including benefits)	<u>36,000</u>	<u>25,000</u>

Director's remuneration relates to payments made to SMRC Childwise Limited to compensate them for time spent by R J Munby on football club matters during the year.

No amounts (2004: £Nil) are being paid to directors' pension schemes.

7 INTEREST RECEIVABLE

	2005 £	2004 £
Bank interest receivable	<u>73,269</u>	<u>92,698</u>

8 INTEREST PAYABLE

	2005 £	2004 £
Bank loans and overdrafts	472,870	319,754
Loan notes	1,115,543	1,168,000
Other loans	93,414	116,877
	<u>1,681,827</u>	<u>1,604,631</u>
Pension liability (note 31)	24,434	27,083
Finance leases and hire purchase contracts	2,457	5,887
Early settlement of debt	-	2,250
	<u>1,708,718</u>	<u>1,639,851</u>

9 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITY

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

	2005 £	2004 £
Based on the profit/(loss) for the year		
Current year corporation tax	-	-
Current tax charge for the year (note 9(b))	-	-
Current year deferred tax (note 21)	1,500,000	(1,500,000)
Tax on profit/(loss) on ordinary activity	<u>1,500,000</u>	<u>(1,500,000)</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT

For the year ended 31 May 2005

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

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

The tax assessed for the year is lower (2004: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £	2004 £
Profit/(loss) on ordinary activity before tax	9,166,303	(3,265,301)
Profit/(loss) on ordinary activity multiplied by standard rate of corporation tax in the UK of 30% - expected charge/(credit)	2,749,891	(979,590)
Effects of:		
Expenses not deductible for tax purposes	163,969	17,145
Income not taxable	(474,874)	(23,782)
Capital allowances (in excess of)/lower than depreciation	(27,750)	59,062
Profit on disposal of fixed assets - gain rolled over	-	(1,208,270)
Other timing differences	(7,211)	(22,547)
Utilisation of losses brought forward	(2,438,207)	-
Losses carried forward to future accounting periods	34,182	2,157,982
Current taxation charge for year (note 9(a))	-	-

(c) Factors that may affect future tax charges:

The group has aggregate tax losses of approximately £4,305,000 (2004: £11,506,000) available to offset against future trading profits. A deferred tax asset of £1,291,730 (2004: £1,951,800) has not been recognised due to the uncertainty of future profits.

No provision has been made for deferred tax on gains recognised on the revalued land as it is the intention to retain ownership of the revalued land for use in the existing business for the foreseeable future.

10 DIVIDENDS ON NON EQUITY SHARES

	2005 £	2004 £
'A' preference - undeclared dividend	-	508
'B' preference - undeclared dividend	-	41,577
'B' preference - undeclared dividend (bonus)	-	171,340
	-	213,425
'B' preference - paid in year	11,508	24,085
'A' and 'B' preference - paid in respect of prior year	198,023	-
	209,531	237,510
'A' preference - payable	508	-
'B' preference - payable	50,710	-
	51,218	-
	260,749	237,510

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

11 GAIN ON DISPOSAL OF PLAYERS' REGISTRATIONS

	2005 £	2004 £
Gain on disposal of players' registrations	210,688	95,000
Loss on termination of players' registrations	(19,975)	(38,217)
	<u>190,713</u>	<u>56,783</u>

12 INTANGIBLE FIXED ASSETS

	Cost of players registrations £
Group and company	
Cost	
At 1 June 2004	5,206,650
Additions	5,725,674
Disposals	(2,110,750)
At 31 May 2005	<u>8,821,574</u>
Amortisation	
At 1 June 2004	3,532,737
Charge for the year	2,321,087
Disposals	(2,090,775)
At 31 May 2005	<u>3,763,049</u>
Net book value at 31 May 2005	<u><u>5,058,525</u></u>
Net book value at 31 May 2004	<u><u>1,673,913</u></u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

13 TANGIBLE FIXED ASSETS

	Assets in course of construction £	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Group					
Cost or valuation					
At 1 June 2004	8,615,655	21,875,500	6,182,383	86,858	36,760,396
Additions	5,897,817	445,230	519,486	9,615	6,872,148
Disposals	-	-	-	(78,658)	(78,658)
Transfer	(14,513,472)	14,513,472	-	-	-
At 31 May 2005	-	36,834,202	6,701,869	17,815	43,553,886
Depreciation					
At 1 June 2004	-	2,072,610	5,002,976	51,431	7,127,017
Charge for the year	-	926,688	269,025	14,058	1,209,771
Disposals	-	-	-	(60,420)	(60,420)
At 31 May 2005	-	2,999,298	5,272,001	5,069	8,276,368
Net book value at 31 May 2005	-	33,834,904	1,429,868	12,746	35,277,518
Net book value at 31 May 2004	8,615,655	19,802,890	1,179,407	35,427	29,633,379

The net book value of freehold land and buildings comprise:

	2005 £	2004 £
Assets at adopted valuation (per FRS 15)		
Land (not depreciated)	2,532,760	2,532,760
Assets at cost		
Land (not depreciated)	3,984,282	3,984,282
Buildings	27,317,862	13,285,848
	33,834,904	19,802,890

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:

	2005 £	2004 £
Cost and net book value	2,461,518	2,461,518

Included in plant and machinery are assets held under finance leases and hire purchase contracts. The net book value of these assets at 31 May 2005 was £72,786 (2004: £27,089) and depreciation during the year on these assets was £33,803 (2004: £40,635).

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

TANGIBLE FIXED ASSETS (CONTINUED)

	Assets in course of construction £	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Company					
Cost or valuation					
At 1 June 2004	8,615,655	19,372,191	6,180,083	86,858	34,254,787
Additions	5,897,817	445,230	519,486	-	6,862,533
Disposals	-	-	-	(78,658)	(78,658)
Transfer	(14,513,472)	14,513,472	-	-	-
At 31 May 2005	-	34,330,893	6,699,569	8,200	41,038,662
Depreciation					
At 1 June 2004	-	2,030,083	5,002,823	51,431	7,084,337
Charge for the year	-	926,437	268,565	12,455	1,207,457
Disposals	-	-	-	(60,420)	(60,420)
At 31 May 2005	-	2,956,520	5,271,388	3,466	8,231,374
Net book value at 31 May 2005	-	31,374,373	1,428,181	4,734	32,807,288
Net book value at 31 May 2004	8,615,655	17,342,108	1,177,260	35,427	27,170,450

The net book value of freehold land and buildings comprise:

	2005 £	2004 £
Assets at adopted valuation (per FRS 15)		
Land (not depreciated)	1,967,338	1,967,338
Assets at cost		
Land (not depreciated)	2,185,000	2,185,000
Buildings	27,222,035	13,189,770
	31,374,373	17,342,108

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:

	2005 £	2004 £
Cost and net book value	1,896,096	1,896,096

Included in plant and machinery are assets held under finance leases and hire purchase contracts. The net book value of these assets at 31 May 2005 was £72,786 (2004: £27,089) and depreciation during the year on these assets was £33,803 (2004: £40,635).

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

14 FIXED ASSET INVESTMENTS

	Investments in subsidiary undertakings £
Company	
Cost	
At 1 June 2004 and 31 May 2005	940,552
Amounts written off	
At 1 June 2004	-
Provided in the year	504,864
At 31 May 2005	504,864
Net book value at 31 May 2005	435,688
Net book value at 31 May 2004	940,552

The subsidiary undertakings, which were incorporated in England and Wales and are included within the consolidated financial statements at 31 May 2005, are as follows:

Company	% owned	Activity
NCFC (Holdings) Limited	100%	Property holding company
Kerrison Holdings Limited	100%	Provision of car park facilities and property development
EventGuard Limited	75%	Provision of event stewarding and security services

15 STOCKS

	Group and company	
	2005	2004
	£	£
Goods for resale	398,123	276,519

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

16 DEBTORS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Amounts due within one year				
Trade debtors	3,905,195	3,061,297	3,848,167	3,031,230
Amounts due from subsidiary undertakings	-	-	2,234,468	3,239,478
Other debtors	2,570,626	2,041,056	168,109	222,251
Prepayments and accrued income	1,183,570	596,603	1,061,460	596,603
	<u>7,659,391</u>	<u>5,698,956</u>	<u>7,312,204</u>	<u>7,089,562</u>
Amounts due after more than one year				
Deferred tax asset (note 21)	-	1,500,000	-	1,500,000
Other debtors	-	2,400,000	-	-
	<u>-</u>	<u>3,900,000</u>	<u>-</u>	<u>1,500,000</u>
Total debtors	<u>7,659,391</u>	<u>9,598,956</u>	<u>7,312,204</u>	<u>8,589,562</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank overdraft	1,157,276	454,927	1,157,276	454,927
Bank loan	300,000	-	300,000	-
Loan notes	660,848	288,863	660,848	288,863
Other loans	90,000	500,000	90,000	500,000
Receipts in advance	5,633,846	5,914,010	5,633,846	5,914,010
Trade creditors	3,200,964	2,259,038	3,128,993	2,247,230
Social security and other taxes	1,704,653	1,263,766	1,691,151	1,258,442
Dividends payable	51,218	6,889	51,218	639
Other creditors	584,487	224,993	66,666	17,993
Net obligations under finance lease and hire purchase contracts	26,213	12,760	26,213	12,760
Accruals and deferred income	1,143,415	2,818,478	790,008	2,089,758
	<u>14,552,920</u>	<u>13,743,724</u>	<u>13,596,219</u>	<u>12,784,622</u>

Security for the bank overdraft, bank loan, loan notes and other loans are disclosed in note 18. Net obligations under finance lease and hire purchase contracts are secured on the relevant assets (note 13).

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans	5,081,625	2,533,125	1,850,000	-
Loan notes	13,448,500	14,112,179	13,448,500	14,112,179
Other loans	670,685	1,750,475	670,685	1,750,475
Receipts in advance	927,215	1,125,603	927,215	1,125,603
Other creditors	316,220	626,220	-	-
Net obligations under finance lease and hire purchase contracts (note 17)	34,381	-	34,381	-
Accruals and deferred income	191,533	249,150	169,103	236,042
	<u>20,670,159</u>	<u>20,396,752</u>	<u>17,099,884</u>	<u>17,224,299</u>

Included within the above are amounts falling due as follows:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
In one to two years				
Bank loans	994,750	-	300,000	-
Loan notes	714,043	658,015	714,043	658,015
Other loans	530,000	-	530,000	-
Receipts in advance	521,477	489,263	521,477	489,263
Other creditors	316,220	310,000	-	-
Net obligations under finance lease and hire purchase contracts	27,361	-	27,361	-
Accruals and deferred income	16,612	73,558	16,612	66,939
	<u>3,120,463</u>	<u>1,530,836</u>	<u>2,109,493</u>	<u>1,214,217</u>

In two to five years

Bank loans	4,086,875	2,533,125	1,550,000	-
Loan notes	2,463,350	2,266,934	2,463,350	2,266,934
Other loans	90,000	1,500,000	90,000	1,500,000
Receipts in advance	405,738	636,340	405,738	636,340
Other creditors	-	316,220	-	-
Net obligations under finance lease and hire purchase contracts	7,020	-	7,020	-
Accruals and deferred income	88,161	64,272	65,731	57,783
	<u>7,141,144</u>	<u>7,316,891</u>	<u>4,581,839</u>	<u>4,461,057</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

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

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
In more than five years				
Loan notes	10,271,107	11,187,230	10,271,107	11,187,230
Other loans	50,685	250,475	50,685	250,475
Accruals and deferred income	86,760	111,320	86,760	111,320
	<u>10,408,552</u>	<u>11,549,025</u>	<u>10,408,552</u>	<u>11,549,025</u>

The loan notes are repayable in biannual instalments over a 15 year period to May 2018. The loan notes were released in two instalments of £7,500,000 and interest is charged at a fixed rate of 7.67% and 7.24% on the two instalments. The first capital repayments were made in May 2005. The loan notes will be repaid in a securitisation agreement serviced by future stadium generated gross revenues including season ticket and matchday income, Football League centrally distributed funds, sponsorship revenue and catering income. Issue costs amounting to £598,758 have been offset against the loan proceeds and are being amortised evenly over the period of the loan.

A bank loan for £2,300,000 (of which £2,150,000 (2004: £Nil) is outstanding at the year end) is divided into two tranches, tranche A being for £1,200,000 and tranche B being for £1,100,000. Tranche A is repayable by quarterly instalments of £75,000 and tranche B is repayable in full in December 2008. Interest is payable in arrears at 2% above base rate. The loan is secured by a legal mortgage and charge on land purchased by Norwich City Football Club PLC.

Bank loans of £694,750 and £2,536,875 (2004: £Nil and £2,533,125) (shown net of finance costs of £18,375 (2004: £16,875)) are due for repayment in December 2006 and December 2008 respectively. Interest is payable in arrears at 2% above base rate. The loans are secured by a first legal charge and debenture on land purchased by Kerrison Holdings Limited.

The loan of £1,500,000 from Geoffrey Watling (Norwich) Limited was satisfied during the year. The loan was secured by a fixed charge on the Colney training ground and interest was charged at 2% above base rate.

Other loans of £760,685 (2004: £250,475) are unsecured and interest free.

19 ACCRUALS AND DEFERRED INCOME

	Group and company	
	2005	2004
	£	£
Deferred grant income		
At 1 June 2004	2,001,155	2,080,427
Grant received in year	200,000	-
Credited to profit and loss account	(82,914)	(79,272)
	<u>2,118,241</u>	<u>2,001,155</u>
At 31 May 2005		

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

20 PROVISIONS FOR LIABILITIES AND CHARGES

	Group	
	2005 £	2004 £
At 1 June 2004	-	-
Charged to profit and loss account	500,000	-
At 31 May 2005	500,000	-

The above provision relates to further expenditure required by a group undertaking for utility services and other amenities in connection with the sale of land to Taylor Woodrow PLC in 2004.

The provision represents the directors' best current estimate of the cost of carrying out this work over the next four years.

21 DEFERRED TAXATION

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Deferred tax asset - trading losses				
At 1 June 2004	1,500,000	-	1,500,000	-
(Charged)/credited to profit and loss account	(1,500,000)	1,500,000	(1,500,000)	1,500,000
At 31 May 2005	-	1,500,000	-	1,500,000

Unprovided deferred tax asset

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
The unprovided deferred tax asset comprises:				
Accelerated capital allowances	(778,635)	(263,514)	(778,162)	(263,514)
Other timing differences	64,313	68,087	64,313	68,087
Trading losses	1,291,730	1,951,800	1,250,330	1,951,800
	577,408	1,756,373	536,481	1,756,373

NORWICH CITY FOOTBALL CLUB PLC

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22 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised		
535,235 ordinary shares of £1 each	535,235	535,235
9,675 5.25% 'A' preference shares of £1 each	9,675	9,675
310,000 4.5% 'B' preference shares of £1 each	310,000	310,000
	<u>854,910</u>	<u>854,910</u>
Allotted, called up and fully paid		
490,703 (2004: 490,579) ordinary shares of £1 each	490,703	490,579
9,675 5.25% 'A' preference shares of £1 each	9,675	9,675
12,521 (2004: 17,134) 4.5% 'B' preference shares of £1 each	12,521	17,134
	<u>512,899</u>	<u>517,388</u>

During the year 124 £1 ordinary shares were issued at a cost of £25 each and 211 £1 'B' preference shares were issued at a cost of £100 each. A total of £23,865 has been credited to share premium account (note 22). The shares were issued to provide further working capital for the football club.

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 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 holders of the 'B' preference shares also received a one-off bonus dividend, at 10% of the issue price, when the Club achieved promotion to the Premier League. In addition, 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. During the year, following the Club's promotion to the Premier League, 4,824 £1 'B' preference shares were redeemed at £100 each.

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

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

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

23 RESERVES

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Share premium account				
At 1 June 2004	8,871,285	7,233,909	8,871,285	7,233,909
Premium on shares issued during the year (note 22)	23,865	1,637,376	23,865	1,637,376
At 31 May 2005	8,895,150	8,871,285	8,895,150	8,871,285
Revaluation reserve				
At 1 June 2004	71,242	735,903	71,242	71,242
Transfer to profit and loss account (note 24)	-	(664,661)	-	-
At 31 May 2005	71,242	71,242	71,242	71,242
Capital redemption reserve				
At 1 June 2004	29,381	29,381	29,381	29,381
Redemption of 'B' preference shares	4,824	-	4,824	-
At 31 May 2005	34,205	29,381	34,205	29,381

24 PROFIT AND LOSS ACCOUNT

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
(Deficit)/retained profit at 1 June 2004	(2,901,128)	(1,763,354)	(1,343,702)	1,597,378
Profit/(loss) for the year	7,608,041	(2,015,860)	7,807,917	(3,154,505)
Transfer from revaluation reserve (note 23)	-	664,661	-	-
Redemption of 'B' preference shares	(482,400)	-	(482,400)	-
(Deduct)/add back accrued preference dividend	(213,425)	213,425	(213,425)	213,425
Retained profit/(deficit) at 31 May 2005	4,011,088	(2,901,128)	5,768,390	(1,343,702)

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

25 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group	
	2005	2004
	£	£
Profit/(loss) for the financial year	7,655,365	(1,778,350)
Dividends paid and proposed	(260,749)	(237,510)
Appropriated in the previous year	213,425	-
	<u>7,608,041</u>	<u>(2,015,860)</u>
Shares issued during the year	335	37,674
Premium on shares issued during the year	23,865	1,637,376
Redemption of 'B' preference shares	(482,400)	-
Accrued preference dividends	(213,425)	213,425
	<u>6,936,416</u>	<u>(127,385)</u>
Net movement in shareholders' funds	6,936,416	(127,385)
Opening shareholders' funds	6,588,168	6,715,553
	<u>13,524,584</u>	<u>6,588,168</u>

Shareholders' funds above accrue to non equity investors because on winding up, the distribution to all shareholders is restricted by the Articles of Association of the company to the amounts paid up on those shares.

26 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITY

	2005	2004
	£	£
Operating profit/(loss)	10,611,039	(5,802,496)
Amortisation of intangible fixed assets	2,321,087	1,073,252
Depreciation of tangible fixed assets	1,209,771	744,655
(Profit)/loss on disposal of fixed assets	(562)	4,184
Increase in stocks	(121,604)	(108,781)
Increase in debtors	(1,310,435)	(595,453)
(Decrease)/increase in creditors	(1,463,182)	5,019,296
Increase in provision for liabilities and charges	500,000	-
Deferred grant income	(82,914)	(79,272)
Legacy from G C Watling to satisfy loan from Geoffrey Watling (Norwich) Limited	(1,500,000)	-
	<u>10,163,200</u>	<u>255,385</u>
Net cash inflow from operating activity	10,163,200	255,385

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

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

	2005		2004	
	£	£	£	£
Returns on investments and servicing of finance				
Interest received		73,269		92,698
Interest paid		(1,784,897)		(1,563,479)
Interest element of finance lease rentals and hire purchase contracts		(2,457)		(5,887)
Preference dividends paid		(210,170)		(24,085)
Dividends paid to equity minority interests		(7,500)		(6,250)
		<u> </u>		<u> </u>
Net cash outflow for returns on investments and servicing of finance		<u>(1,931,755)</u>		<u>(1,507,003)</u>
Capital expenditure				
Purchase of intangible fixed assets		(4,718,674)		(1,453,150)
Purchase of tangible fixed assets		(7,036,755)		(11,181,575)
Proceeds from sale of intangible fixed assets		160,688		70,000
Proceeds from sale of tangible fixed assets		1,818,800		2,008,000
		<u> </u>		<u> </u>
Net cash outflow for capital expenditure		<u>(9,775,941)</u>		<u>(10,556,725)</u>
Financing				
Issue of ordinary shares		335		37,674
Share premium on issue of shares		23,865		1,637,376
Redemption of 'B' preference shares		(482,400)		-
		<u> </u>		<u> </u>
		(458,200)		1,675,050
New loans	3,358,710		13,180,934	
Repayments of loans	(791,694)		(4,600,000)	
Capital element of finance lease rentals	(31,666)		(48,360)	
	<u> </u>		<u> </u>	
Net increase in debt		2,535,350		8,532,574
		<u> </u>		<u> </u>
Net cash inflow from financing		<u>2,077,150</u>		<u>10,207,624</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

28 ANALYSIS OF NET DEBT

	At 1 June 2004 £	Cash flow £	Transfer £	Non cash movement £	At 31 May 2005 £
Cash at bank and in hand	1,555,443	1,435,003	-	-	2,990,446
Bank overdraft	(454,927)	(702,349)	-	-	(1,157,276)
	<u>1,100,516</u>	<u>732,654</u>	<u>-</u>	<u>-</u>	<u>1,833,170</u>
Debt					
Finance leases and hire purchase contracts	(12,760)	31,666	-	(79,500)	(60,594)
Debt due within one year	(788,863)	491,694	(753,679)	-	(1,050,848)
Debt due after one year	(18,395,779)	(3,058,710)	753,679	1,500,000	(19,200,810)
	<u>(19,197,402)</u>	<u>(2,535,350)</u>	<u>-</u>	<u>1,420,500</u>	<u>(20,312,252)</u>
Net debt	<u>(18,096,886)</u>	<u>(1,802,696)</u>	<u>-</u>	<u>1,420,500</u>	<u>(18,479,082)</u>

29 CONTINGENT LIABILITIES

Additional payments amounting to a maximum of £1,550,000 (2004: £250,000) will become payable if certain conditions in transfer and player contracts at 31 May 2005 are fulfilled. Additional loyalty bonuses and player appearance fees up to a maximum of £458,548 (2004: £255,870) will become payable to players subject to the terms and conditions of their contracts being fulfilled.

30 CAPITAL COMMITMENTS

At 31 May 2005 the group and company had capital commitments as follows:

	Group and company	
	2005 £	2004 £
Contracted for but not provided in these financial statements		
Jarrod Stand construction	-	500,000
Corner infill stand	500,000	3,250,000
Pitch reconstruction	-	500,000
Internal fit-out projects	<u>830,000</u>	<u>-</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

31 PENSION SCHEMES

Money purchase pension scheme

During the year the group participated in a money purchase scheme, The Football League Limited Pension and Life Assurance Scheme, for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

Contributions to this scheme during the year amounted to £40,325 (2004: £36,086). At 31 May 2005 there were outstanding contributions of £1,832 (2004: £6,250).

Employees' personal pension schemes

During the year the group made contributions to certain employees' personal pension schemes.

Contributions to this scheme during the year amounted to £142,511 (2004: £61,783). At 31 May 2005 there were no outstanding or prepaid contributions (2004: £Nil).

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 indicates the scheme has a large deficit and, in accordance with the scheme rules, Norwich City Football Club PLC, along with 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 £24,434 (2004: £27,083) was payable during the year. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately eight years to April 2013. The total amount payable to the pension scheme at 31 May 2005, including accumulated interest, was £236,043 (2004: £305,149).

32 OTHER COMMITMENTS

	Group and company	
	2005	2004
	£	£
Plant and machinery		
Expiry date:		
Within one year	8,814	1,859
Between two and five years	15,902	12,981
	<u>24,716</u>	<u>14,840</u>

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

33 RELATED PARTIES

Loans due to related parties

At 31 May 2005, the following balances were outstanding on loans advanced to the group and company in this and previous years:

	Group and company	
	2005	2004
	£	£
Ms D A Smith and E M S Wynn Jones (joint)	760,685	250,475
New Crane Limited	-	500,000

Ms D A Smith and E M S Wynn Jones are directors of the company. Ms D A Smith and E M S Wynn were previously directors of New Crane Limited and each owned 31% of the issued share capital of that company. £260,285 of the loan advanced by Ms D A Smith and E M S Wynn Jones is due for repayment over a period of five years and the balance of £500,000 is repayable on demand. Ms D A Smith and E M S Wynn Jones have waived their entitlement to interest on their loan and these funds have been made available to the company for a number of projects.

The loan advanced by New Crane Limited was repaid in December 2004. Interest was paid at 4% above base rate.

All loans are unsecured.

Interest charged on loans

The interest charged on each loan during the year was as follows:

	Group and company	
	2005	2004
	£	£
Ms D A Smith and E M S Wynn Jones (joint)	-	-
New Crane Limited	40,089	39,219

Transactions with related parties

	Group and company		Group and company	
	Sales		Purchases	
	2005	2004	2005	2004
	£	£	£	£
New Crane Limited	6,325	18,773	3,500	15,989
Ms D A Smith and E M S Wynn Jones (joint)	20,684	7,092	-	-
M M Foulger	-	4,659	-	-
Banham Poultry Limited (M M Foulger)	9,110	24,948	9,568	2,200
B J S Services Limited (B J Skipper)	3,829	3,328	-	-
SMRC Childwise Limited (R J Munby)	322	1,601	37,371	21,089

NORWICH CITY FOOTBALL CLUB PLC

NOTES TO THE ANNUAL REPORT For the year ended 31 May 2005

RELATED PARTIES (CONTINUED)

Transactions with related parties (continued)

At 31 May 2005 the following balances were outstanding:

	Group and company Sales ledger		Group and company Purchases ledger	
	2005	2004	2005	2004
	£	£	£	£
Ms D A Smith and E M S Wynn Jones (joint)	1,496	172	-	-
M M Foulger	-	5,114	-	-
B J S Services Limited (B J Skipper)	412	1,195	-	-
SMRC Childwise Limited (R J Munby)	261	833	3,560	-

All balances outstanding are inclusive of value added tax.

34 ULTIMATE CONTROL OF THE COMPANY

At 31 May 2005 Ms D A Smith and her husband and co-director, E M S Wynn Jones owned 57.4% of the issued capital of the company. In accordance with Financial Reporting Standard 8 'Related Party Disclosures', the Board have concluded that ultimate control of the company vests in these related parties.

35 POST BALANCE SHEET EVENTS

Transfer of players' registrations

In the period from 1 June 2005 to 23 September 2005 the club purchased the registrations of a number of individuals at a cost of £788,158. In some instances, further sums are payable up to a maximum of £262,500, subject to the players making a certain number of appearances and contingent upon certain other events as specified in the transfer documents.

In the period from 1 June 2005 to 23 September 2005 the club transferred the registrations of a number of individuals for total fees of £2,435,000. Furthermore a sum of £783,750 is due subject to the players making a certain number of appearances and contingent upon certain other events as specified in the transfer documents.

ANNUAL GENERAL MEETING OF NORWICH CITY FOOTBALL CLUB PLC

on 31 October 2005 at 7.30 p.m.

Notice of an Annual General Meeting of Norwich City Football Club PLC is set out at the end of this document. The accompanying form of proxy should be completed and returned to the Company Secretary of Norwich City Football Club PLC, Carrow Road, Norwich NR1 1JE as soon as possible and, in any event, so as to be received no later than 7.30 p.m. on 29 October 2005.

NORWICH CITY FOOTBALL CLUB PLC

Registered in England No: 154044

Directors:

R.J. Munby (Chairman)
B.J. Skipper (Vice Chairman)
M.M. Foulger
Ms. D.A. Smith
E.M.S. Wynn Jones

Registered Office:

Carrow Road
Norwich
Norfolk
NR1 1JE

To all holders of Ordinary Shares of £1 each ("Ordinary Shares") and, for information only, all holders of A Preference Shares of £1 each ("A Preference Shares") and B Preference Shares of £1 each ("B Preference Shares")

Dear Shareholder

Annual General Meeting

At the end of this letter you will find a formal Notice convening our Annual General Meeting. Your Board would like as many Shareholders as possible to attend the Annual General Meeting on 31 October 2005. An explanation of the Resolutions to be proposed at the Meeting now follows:

Four Resolutions will be proposed.

1 Report and Accounts (ordinary resolution)

Your Board is required by law to lay the audited accounts and the reports of the Directors and the Auditors on those accounts before the Company in general meeting.

2 and 3 Re-election of Directors (ordinary resolution)

Under the Company's Articles of Association, two of the five Directors must retire by rotation and, if they are eligible and so wish, may stand for re-election. Accordingly, Michael Wynn Jones and Roger Munby will retire by rotation at the Annual General Meeting and Resolutions 2 and 3 propose their re-election.

4 Re-appointment of Auditors (ordinary resolution)

At each general meeting at which accounts are laid before shareholders, the Company must appoint auditors to serve until the next such meeting. Resolution 4 proposes the re-appointment of Grant Thornton UK LLP as the Company's auditors and, in line with standard practice, the authorisation of the Directors to determine their remuneration.

Action to be taken

All holders of Ordinary Shares, A Preference Shares and B Preference Shares are entitled to attend the Annual General Meeting, but only the holders of Ordinary Shares may vote at the Meeting.

Ordinary Shareholders who are not able to come to the meeting or who are unsure whether they will be able to be there, can ensure that their vote is recorded at the Meeting by appointing a proxy. Ordinary Shareholders will find enclosed a Form of Proxy for use at the Meeting. All Ordinary Shareholders are urged to complete and return the Form of Proxy whether or not they intend to come to the Meeting in person. If you appoint a proxy and then decide to come to the Meeting you may still do so but, if you vote, your proxy may not vote.

For legal reasons a proxy is only valid if received at least 48 hours before the Meeting. Duly completed Forms of Proxy should therefore be addressed to Shaun O'Hara, Company Secretary, Norwich City Football Club PLC, Carrow Road, Norwich, NR1 1JE to be received no later than 7.30 p.m. on Saturday 29 October 2005.

The Annual General Meeting is an excellent opportunity for Shareholders to meet the Board and management of our Club. We very much look forward to meeting you on 31 October 2005 at 7.30 p.m.

Yours sincerely

R.J. MUNBY

Chairman

23 September 2005

NORWICH CITY FOOTBALL CLUB PLC

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Norwich City Football Club PLC ("the Company") will be held in the Norfolk Lounge, Carrow Road, Norwich NR1 1JE on 31 October 2005 at 7.30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, each of which will be proposed as an ordinary resolution.

ORDINARY RESOLUTIONS

- 1 To receive the consolidated annual accounts of the Company and its subsidiaries for the 12 months ended 31 May 2005 and the reports of the Directors and the Auditors on those accounts.
- 2 To re-elect Michael Wynn Jones, who retires by rotation, as a Director of the Company.
- 3 To re-elect Roger Munby, who retires by rotation, as a Director of the Company.
- 4 To re-appoint Grant Thornton UK LLP as Auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.

Registered Office:
Carrow Road
Norwich
NR1 1JE

By Order of the Board
Shaun O'Hara
Company Secretary
23 September 2005

Notes

- 1 Any person entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- 2 Holders of Ordinary Shares, A Preference Shares and B Preference Shares are entitled to attend and to speak at the above meeting. Only holders of Ordinary Shares are entitled to vote at the above meeting.
- 3 To be valid, a completed form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the registered office of the Company marked for the attention of the Company Secretary not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- 4 *The appointment of a proxy will not preclude shareholders from attending and voting at the meeting in person should they subsequently decide to do so.*
- 5 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which names stand in the register of members.

NORWICH CITY FOOTBALL CLUB PLC

SHAREHOLDERS NOTES

NORWICH CITY FOOTBALL CLUB PLC

SHAREHOLDERS NOTES