

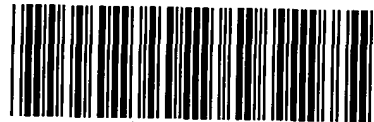
Reform Acquisitions Limited

Reform Acquisitions Limited

**Annual Report and financial statements
for the year ended 31 May 2014**

Registered number: 05891280

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Reform Acquisitions Limited

Annual Report for the year ended 31 May 2014

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Reform Acquisitions Limited

Directors and advisors for the year ended 31 May 2014

Directors

Mr R Lerner
Mr R Russell

Company Secretary

Mr R Russell

Registered office

Villa Park
Birmingham
West Midlands
B6 6HE

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Tax advisors

Ernst & Young LLP
No.1 Colmore Square
Birmingham
B4 6HQ

Bankers

HSBC Bank PLC
8 Stephenson Place
New Street
Birmingham
B2 4NH

Reform Acquisitions Limited

Strategic report for the year ended 31 May 2014

The directors present their strategic report and the audited financial statements for the year ended 31 May 2014.

Principal activities

The Group operates a professional football club. The principal activity of the Company is that of a holding company.

Results and Review of business

The Club finished 15th in the 2013/14 season registering some memorable victories and results against top four clubs. Financially the season was positive, the Group's loss for the year falling £47.8 million to £4.0 million (2012/13 £51.8 million). Average League attendances increased from 35,059 in 2012/13 to 36,081 in 2013/14. The directors have not declared or paid an interim dividend during the year (2013:£nil). They do not recommend a final dividend (2013:£nil).

As previously reported, Reform Acquisitions LLC agreed to waive its rights to repayment of £90.1 million of loan notes and to convert this to shares on 18 December 2013, strengthening the Group's balance sheet.

In terms of regulations, players' payroll for the year complies with Premier League's Short Term Cost Control Rules and forecast results for the three years ending 31 May 2016 currently meet the Premier League's Profitability and Sustainability Rules.

On 12 May 2014 owner and Chairman Randy Lerner announced his intention to sell the Club. Bank of America and Merrill Lynch were retained to handle the sale. On 7 July 2014 Mr Lerner announced that absent a sale prior to the start of pre-season activity he would be refocusing on the Club. On 8 July 2014 Paul Faulkner stepped down as Chief Executive Officer and Robin Russell was appointed as acting CEO.

Key Performance Indicators ('KPIs')

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

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

Principal risks and uncertainties

The key risk facing any club in the Premier League is that of relegation. The board attempts to mitigate this risk by providing the manager with first class training facilities and appropriate payroll & transfer budgets, and through generous support to the Academy.

This report was approved by the board on 17 July 2014 and signed on its behalf.



R. Russell
Director

Reform Acquisitions Limited

Directors' report for the year ended 31 May 2014

The directors present their report for the year ended 31 May 2014.

Future developments

The Club is pursuing a "business as usual" approach to the 2014/15 season whilst owner Randy Lerner looks to strengthen the Club structurally over the medium and long term.

Dividends

The directors do not recommend payment of a final dividend (2013:£nil).

Charitable contributions

All fund raising events are dealt with by the Aston Villa Charitable Trust which is registered with the Charity Commission. There were no political contributions (2013: £nil).

Post balance sheet events

Since the balance sheet date various players have been bought and sold, details of which can be seen in Note 27.

Financial risk management

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

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

The Group seeks to ensure sufficient liquidity is available to meet foreseeable needs through detailed daily cash forecasts. The Group's overdraft facility is repayable on demand, however the directors consider that there is no evidence to suggest that the facility will not continue to be made available for the foreseeable future.

Going concern

The Directors have formed a judgement at the time of approving the financial statements that the company has adequate resources available to continue operating and to discharge all financial obligations as they fall due for the foreseeable future from the date of approval of the financial statements.

Based both on the continuing financial support committed to by the owner and the availability of the Group's overdraft facility, as incorporated in the directors' cash flow forecasts, the directors consider it appropriate to prepare the financial statements on a going concern basis. The directors have received confirmation that the ultimate holding company, Reform Acquisitions LLC, intends to support the Group and Company for at least one year from the date these financial statements are signed.

As previously reported, Reform Acquisitions LLC agreed to waive its rights to repayment of £90.1 million of loan notes and to convert this to shares on 18 December 2013, strengthening the Group's balance sheet.

Directors

The directors of the Company who held office during the year and up to the date of signing the financial statements, unless stated, are given below:

Mr R Lerner

Mr R Russell

Mr P Faulkner (resigned 7 July 2014)

Reform Acquisitions Limited

Directors' report for the year ended 31 May 2014 (continued)

Employees

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

Disabled persons

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

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

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

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Directors' and officers' insurance

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

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Reform Acquisitions Limited

Directors' report for the year ended 31 May 2014 (continued)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting. This report was approved by the board on 17 July 2014 and signed on its behalf.



R. Russell
Director

Reform Acquisitions Limited

Independent auditors' report to the members of Reform Acquisitions Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and company financial statements (the "financial statements"), which are prepared by Reform Acquisitions Limited, comprise:

- the consolidated and company balance sheet as at 31 May 2014;
- the consolidated profit and loss account for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the note to the consolidated cash flow statement; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Reform Acquisitions Limited

Independent auditors' report to the members of Reform Acquisitions Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

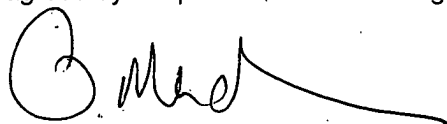
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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



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

17 July 2014

Reform Acquisitions Limited

Registered number: 05891280

Consolidated profit and loss account for the year ended 31 May 2014

		2014			2013		
		Operations excluding player trading	Player transac- tions	Total	Operations excluding player trading	Player transac- tions	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	2	111,249	5,671	116,920	81,684	2,012	83,696
Operating expenses before exceptional items		(103,354)	(18,340)	(121,694)	(103,662)	(22,605)	(126,267)
Operating profit/(loss) before exceptional items		7,895	(12,669)	(4,774)	(21,978)	(20,593)	(42,571)
Operating expenses – exceptional items	3	-	-	-	(2,212)	(6,128)	(8,340)
Total operating expenses		(103,354)	(18,340)	(121,694)	(105,874)	(28,733)	(134,607)
Operating profit/(loss)		7,895	(12,669)	(4,774)	(24,190)	(26,721)	(50,911)
Profit on sale of tangible fixed assets		6	-	6	5	-	5
Profit/(loss) on disposal of players' registrations	4	-	1,738	1,738	-	(250)	(250)
Profit/(loss) on ordinary activities before interest and taxation		7,901	(10,931)	(3,030)	(24,185)	(26,971)	(51,156)
Interest receivable and similar income	6			22			140
Interest payable and similar charges	7			(961)			(825)
Loss on ordinary activities before taxation	3			(3,969)			(51,841)
Tax on loss on ordinary activities	8			115			68
Loss for the financial year	20			(3,854)			(51,773)

The results derive wholly from continuing operations of the Group.

There is no material difference between the loss disclosed in the profit and loss account and the loss on an unmodified historical cost basis.

There are no recognised gains and losses other than the loss for the current and previous financial year. Accordingly, no statement of total recognised gains and losses is given.

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

Reform Acquisitions Limited

Registered number: 05891280

Consolidated balance sheet as at 31 May 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	10	37,818	36,022
Tangible assets	11	92,958	97,379
		130,776	133,401
Current assets			
Stocks	13	588	596
Debtors	14	12,560	12,910
Cash at bank and in hand		1,960	341
		15,108	13,847
Creditors: amounts falling due within one year	15	(121,060)	(118,703)
Net current liabilities		(105,952)	(104,856)
Total assets less current liabilities		24,824	28,545
Creditors: amounts falling due after more than one year	16	(22,174)	(112,058)
Provisions for liabilities	18	(534)	(649)
Net assets/(liabilities)		2,116	(84,162)
Capital and reserves			
Called up share capital	19	223,250	133,118
Profit and loss account	20	(221,134)	(217,280)
Total shareholders' funds/(deficit)	21	2,116	(84,162)

The financial statements on pages 8 to 31 were approved by the board of directors on 17 July 2014.

Signed on behalf of the board of directors .



Mr R Russell
Director

Reform Acquisitions Limited

Registered number: 05891280

Company balance sheet as at 31 May 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	12	218,449	218,449
Current assets			
Debtors	14	22,350	22,350
		22,350	22,350
Creditors: amounts falling due within one year	15	(79,826)	(79,025)
Net current liabilities		(57,476)	(56,675)
Total assets less current liabilities		160,973	161,774
Creditors: amounts falling due after more than one year	16	(17,000)	(107,132)
Net assets		143,973	54,642
Capital and reserves			
Called up share capital	19	223,250	133,118
Profit and loss account	20	(79,277)	(78,476)
Total shareholders' funds	21	143,973	54,642

The financial statements on pages 8 to 31 were approved by the Board of Directors on 17 July 2014.

Signed on behalf of the Board of Directors



Mr R Russell
Director

Reform Acquisitions Limited

Registered number: 05891280

Consolidated cash flow statement for the year ended 31 May 2014

		2014	2013
	Note	£'000	£'000
Net cash inflow/(outflow) from operating activities	22	13,278	(19,622)
Returns on investments and servicing of finance	23	(939)	(685)
Cash outflow from capital expenditure and financial investments	23	(15,000)	(20,663)
Cash outflow before financing		(2,661)	(40,970)
Financing	23	(720)	41,280
(Decrease)/increase in cash in the year	24	(3,381)	310

Reform Acquisitions Limited

Registered number: 05891280

Note to the consolidated cash flow statement

Reconciliation of net cash flow to movement in net debt for the year ended 31 May 2014:

		2014	2013
	Note	£'000	£'000
(Decrease)/increase in cash in the year		(3,381)	310
Non cash movements		90,132	-
Movement in borrowings		720	720
Funds from parent undertaking borrowings		-	(42,000)
Movement in net debt in the year	24	87,471	(40,970)
Net debt at 1 June		(189,498)	(148,528)
Net debt at 31 May	24	(102,027)	(189,498)

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

Going Concern

The Group's overdraft facility is technically repayable on demand, however the directors consider that there is no evidence to suggest that the facility will not continue to be made available for the foreseeable future. Accordingly, based both on the continuing financial support committed by the owner and the availability of the overdraft, as incorporated in the directors' cash flow forecasts, the directors consider it appropriate to prepare the financial statements on a going concern basis.

On 18 December 2013 Reform Acquisitions LLC agreed to waive its rights to repayment of £90,131,717 of the Group's loan notes and to convert this amount to called up share capital.

The principal accounting policies adopted, which have been applied consistently in dealing with items which are considered material, are set out below.

Basis of preparation and consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 May each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated on consolidation. Uniform accounting policies have been applied across the Group. The loss for the financial year dealt with in the financial statements of the parent company was £0.8m (2013: £20.1m loss). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

Turnover

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

Gate receipts turnover is recognised over the period of the English football season, covering the period from August to May each year, as home matches are played.

Fixed elements of broadcasting contracts are taken in proportion to the number of league matches played, home and away. Broadcasting facility fees are accounted for when earned. The merit award, included within broadcasting turnover, is taken when the final league position is known at the end of the financial year.

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

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

UEFA solidarity and prize money are distributions received from UEFA, European football's governing body. These amounts are recognised on an earned basis.

Grants and donations

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

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

1 Accounting policies (continued)

Fixed asset investments

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

Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs directly attributable with the purchase of the asset. Depreciation is calculated on a straight-line basis to write down the assets to their estimated residual value over the anticipated useful lives, which are re-assessed on a periodic basis, at the following annual rates:

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

Intangible fixed assets – players' registrations

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

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

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

The profit or loss arising out of the disposal of players' registrations represent the difference between the consideration receivable, net of any transaction costs and signing-on fees in respect of future periods, and the amortised cost of the intangible asset.

Impairment of tangible and intangible fixed assets

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

Players' signing-on fees and loyalty payments

Signing-on fees payable to players and loyalty payments, which are payable only if the player is still in employment with the Group, are recognised in operating expenses as incurred. Where a player's registration is transferred, any signing-on fee payable in respect of future periods is charged against profit or loss on disposal.

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in marketing and selling. Provision is made for obsolete or slow-moving items where appropriate.

Foreign currencies

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

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges are accounted for on an accrual basis to the consolidated profit and loss account.

Leases

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

Taxation

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

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

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

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

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

Deferred tax is measured on an undiscounted basis.

Pensions

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

Payments made to the Football League Limited Pension and Life Assurance Scheme (FLLPLAS) are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

2 Turnover

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

	2014 £'000	2013 £'000
Gate receipts	12,816	12,991
Broadcasting	72,714	45,794
Sponsorship	9,370	8,519
Commercial	22,020	15,935
UEFA solidarity and prize money	-	457
	116,920	83,696

The constituents of each component are as follows:

Gate receipts – Revenues generated from the sale of match tickets.

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

Sponsorship – Major sponsorship contracts and club partnership agreements.

Commercial – Merchandising, royalties, conference and banqueting, fees received for the loan of players' registrations and all other revenue sources.

UEFA solidarity and prize money – Distributions received from UEFA, European football's governing body.

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

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

3 Loss on ordinary activities before taxation

The Group's operating loss for the year has been arrived at after charging/(crediting):

	2014 £'000	2013 £'000
Depreciation of owned tangible fixed assets	5,721	5,840
Profit on disposal of tangible fixed assets	(6)	(5)
Amortisation of players' registrations	18,340	22,605
Deferred grant income	(140)	(140)
Staff costs excluding exceptional item (note 5)	69,339	71,880
Exceptional item – net termination and onerous contract costs	-	2,212
Exceptional item – impairment of players' registrations	-	6,128
Auditors' remuneration for audit services:		
- audit of the parent company's individual and consolidated financial statements	10	10
- audit of the company's subsidiaries	48	48
- audit-related assurance services	52	
- non-audit services	14	16

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

4 Profit/(loss) on disposal of player's registrations

The profit on disposal of players' registration in the year amounted to £1,738,480 (2013: loss of £250,455).

5 Staff costs

Group	2014 Number	2013 Number
Average monthly number of employees by activity:		
Players, football management and coaches	173	168
Commercial, merchandising and operations	232	244
Maintenance and administration	91	89
Full-time employees	496	501
Part-time employees on matchdays and other events	1,053	1,100
	1,549	1,601

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

5 Staff costs (continued)

	2014	2013
Remuneration	£'000	£'000
Wages and salaries	60,406	62,688
Social security costs	8,523	8,712
Other pension costs (note 26)	410	480
	69,339	71,880

The Company does not have any employees (2013: none). In addition to the above are exceptional staff costs of £nil (2013: £2.2m).

	2014	2013
	£	£
Directors' remuneration		
Aggregate emoluments	438,291	423,095
Company contribution to money purchase schemes	17,230	17,230
	455,521	440,325

Company contribution to money purchase schemes relate to one director (2013: one).

	2014	2013
	£	£

Remuneration of the highest paid director

Aggregate emoluments	265,792	250,939
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All of the directors are remunerated in relation to their services to the Group by a subsidiary company and none of the directors received remuneration in relation to their services to the Company (2013: none).

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

6 Interest receivable and similar income

	2014	2013
	£'000	£'000
Interest receivable	22	140

7 Interest payable and similar charges

	2014	2013
	£'000	£'000
Interest on bank overdrafts and loans	735	689
Other interest payable	226	136
	961	825

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

8 Tax on loss on ordinary activities

	2014 £'000	2013 £'000
Current tax:		
UK corporation tax: Current year	-	-
	-	-
Deferred tax:		
UK: Current year	(106)	(63)
Prior year	(9)	(5)
Tax on loss on ordinary activities	(115)	(68)

Corporation tax is calculated at 22.67% (2013: 23.83%) of the estimated assessable loss for the year.

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK (22.67%) (2013: 23.83%). The differences are explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	(3,969)	(51,841)
Tax at the UK corporation tax rate of 22.67% (2013: 23.83%)	(899)	(12,354)
Expenses not deductible for tax purposes	835	860
Capital allowances in excess of depreciation	477	527
tax losses (utilised) / carried forward	(325)	10,681
Other timing differences	(88)	286
Current tax charge for the year	-	-

The March 2012 Budget included a reduction in the main rate of corporation tax for UK companies from 26% to 24% from 1 April 2012. Legislation to further reduce the main rate of corporation tax to 23% from 1 April 2013 was included in the Finance Act 2012 and substantively enacted in July 2012.

The Finance Act 2013 was substantively enacted on 2 July 2013 and includes legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015.

UK deferred tax has therefore been provided at 20% (2012: 23%).

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

9 Dividends

The directors do not recommend the payment of a final dividend which results in no dividend being paid for the year (2013: £nil).

10 Intangible fixed assets

Group	Players' registrations £'000
Cost	
At 1 June 2013	81,131
Additions	20,143
Disposals	(8,681)
At 31 May 2014	92,593
Accumulated amortisation	
At 1 June 2013	45,109
Charge for the year	18,340
Disposals	(8,674)
At 31 May 2014	54,775
Net book value	
At 31 May 2014	37,818
At 31 May 2013	36,022

The Company does not have any intangible fixed assets (2013: £nil).

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

11 Tangible fixed assets

Group	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 June 2013	106,763	201	22,842	129,806
Additions	-	-	1,309	1,309
Disposals	-	-	(64)	(64)
At 31 May 2014	106,763	201	24,087	131,051
Accumulated depreciation				
At 1 June 2013	16,456	22	15,949	32,427
Charge for the year	2,514	2	3,205	5,721
Disposals	-	-	(55)	(55)
At 31 May 2014	18,970	24	19,099	38,093
Net book value				
At 31 May 2014	87,793	177	4,988	92,958
At 1 June 2013	90,307	179	6,893	97,379

Freehold land and buildings includes freehold land amounting to £7,931,524 (2013: £7,931,524) which has not been depreciated.

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

12 Fixed asset investments

	£'000
At 1 June 2013 at cost	239,219
Impairment of fixed asset investments at 1 June 2013 and 31 May 2014	(20,770)
At 31 May 2014	218,449

The investment has been written down to its estimated net realisable value.

The parent company and the Group have investments in the following subsidiary undertakings.

Company	Principal activity	Holding	
Aston Villa Limited	Property investment	3,471,731,045 ordinary 5p shares	100%
Aston Villa Football Club Limited*	Commercial and retail operations	1 ordinary £1 shares	100%
Aston Villa FC Limited*	Professional football club	2,000,000 ordinary £1 shares	100%
Aston Villa Indoor Cricket Centres Limited*	Operator of indoor sports facility	100 ordinary £1 shares	100%
The Villan Radio Limited*	Digital radio station	3 ordinary £1 shares	100%
Aston Villa Ladies Limited	Ladies football club	1 ordinary £1 share	100%

All of the subsidiary undertakings are incorporated in England and Wales. The results of the subsidiary undertakings have been consolidated in the Group financial statements.

All of the above subsidiaries are owned directly by Reform Acquisitions Limited unless marked by an asterisk.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

13 Stocks

Group	2014 £'000	2013 £'000
Goods held for resale	588	596

The Company did not have any stock (2013: £nil).

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

14 Debtors

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Trade debtors	10,393	-	10,862	-
Amounts owed by group undertaking	-	22,350	-	22,350
Other debtors	613	-	314	-
Prepayments and accrued income	1,554	-	1,734	-
	12,560	22,350	12,910	22,350

15 Creditors: amounts falling due within one year

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Bank loans and overdrafts (note 17)	17,987	-	13,587	-
Trade creditors	12,132	-	13,384	-
Amounts owed to parent undertakings	72,458	72,458	71,657	71,657
Amounts owed to subsidiary undertakings	-	7,368	-	7,368
Taxation and social security costs	6,806	-	5,333	-
Other creditors	443	-	396	-
Accruals and deferred income	11,234	-	14,346	-
	121,060	79,826	118,703	79,025

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

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

16 Creditors: amounts falling due after more than one year

	Group	Company	Group	Company
	2014	2014	2013	2013
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 17)	-	-	120	-
Loan notes payable to parent undertaking (note 17)	17,000	17,000	107,132	107,132
Trade creditors	2,263	-	1,755	-
Grants and donations	2,911	-	3,051	-
	22,174	17,000	112,058	107,132

Grants and donations

	Group	Company	Group	Company
	2014	2014	2013	2013
	£'000	£'000	£'000	£'000
At 1 June	3,051	-	3,191	-
Credit to loss from operations in the year	(140)	-	(140)	-
At 31 May	2,911	-	3,051	-

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

17 Loans and other borrowings

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Bank loans and overdrafts	17,987	-	13,707	-
Loan notes	17,000	17,000	107,132	107,132
	34,987	17,000	120,839	107,132
Maturity of financial liabilities:				
Due in one year or less, or on demand	17,987	-	13,587	-
Due in more than one year but less than two years	-	-	120	-
Due in more than two years but less than five years	-	-	49,500	49,500
Due in more than 5 years	17,000	17,000	57,632	57,632
	34,987	17,000	120,839	107,132

Bank loans and overdrafts

The bank loan and overdraft, which are secured on the Group's land and property assets, bear interest on margins above Bank of England Base Rate. £720,000 of the bank term loan is repayable by 12 payments each year over the period to July 2014.

The bank overdraft is renewable annually and repayable on demand. At the balance sheet date, the Group had undrawn overdraft borrowing facilities of £4,708,117 (2013: £9,342,785).

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

18 Provisions for liabilities

Deferred tax

The following are the major deferred tax liabilities recognised by the Group and movements thereon during the current year and prior year.

	Capital allowances £'000	Short-term timing differences £'000	Losses £'000	Total £'000
At 1 June 2013	649	-	-	649
Credit to profit and loss account for the year	(115)	-	-	(115)
At 31 May 2014	534	-	-	534

There is an unprovided deferred tax asset of £47.4m (2013: £54.4m) in respect of tax losses carried forward in the Group, and an unprovided deferred tax asset of £3.7m (2013: £4.4m) in the company. No deferred tax asset will be recognised until the directors assess that these losses can be utilised with reasonable certainty.

In addition to the changes in rates of corporation tax disclosed in note 8, further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013.

These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

19 Called up share capital

	Number	2014 £'000	Number	2013 £'000
Allotted and fully paid – ordinary shares of £1 each	223,249,509	223,250	133,117,792	133,118

On 18 December 2013 Reform Acquisitions LLC agreed to waive its rights to repayment of £90,131,717 of the Group's loan notes and to convert this amount to called up share capital.

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

20 Profit and loss account

	Group	Company	Group	Company
	2014	2014	2013	2013
	£'000	£'000	£'000	£'000
At 1 June	(217,280)	(78,476)	(165,507)	(58,372)
Loss for the financial year	(3,854)	(801)	(51,773)	(20,104)
At 31 May	(221,134)	(79,277)	(217,280)	(78,476)

The Company loss includes a loss of £nil (2013: £19,226,000) of intercompany debt forgiven.

21 Reconciliation of movements in shareholders' (deficit)/funds

	Group	Company	Group	Company
	2014	2014	2013	2013
	£'000	£'000	£'000	£'000
Loss for the financial year	(3,854)	(801)	(51,773)	(20,104)
Net proceeds of issue of ordinary shares	90,132	90,132	-	-
Opening shareholders' (deficit)/funds	(84,162)	54,642	(32,389)	74,746
Closing shareholders' (deficit)/funds	2,116	143,973	(84,162)	54,642

22 Net cash flow from operating activities

	2014	2013
	£'000	£'000
Operating loss	(4,774)	(50,911)
Amortisation of players' registrations	18,340	22,605
Impairment of players' registrations	-	6,128
Depreciation of tangible fixed assets	5,721	5,840
Amortisation of grant income	(140)	(140)
Decrease/(increase) in stocks	8	(100)
Increase in debtors	(4,803)	(540)
Decrease in creditors	(1,074)	(2,504)
Net cash outflow from operating activities	13,278	(19,622)

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

23 Analysis of cash flows netted in cash flow statement

	2014 £'000	2013 £'000
Returns on investments and servicing of finance		
Interest received	22	140
Interest paid	(961)	(825)
Net cash outflow from returns on investments and servicing of finance	(939)	(685)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,309)	(709)
Purchase of intangible fixed assets	(20,369)	(27,573)
Proceeds from disposal of tangible fixed assets	15	24
Proceeds from disposal of intangible fixed assets	6,663	7,595
Net cash outflow from capital expenditure and financial investment	(15,000)	(20,663)
Financing		
Increase in parent undertaking borrowings	-	42,000
Decrease in other borrowings	(720)	(720)
Net cash (outflow)/inflow from financing	(720)	41,280

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

24 Analysis of net debt

	At 1 June 2013	Cash flow	Non-cash movements	At 31 May 2014
	£'000	£'000	£'000	£'000
Cash at bank and in hand	341	1,619	-	1,960
Debt due within 1 year - overdraft	(12,867)	(5,000)	-	(17,867)
Net cash	(12,526)	(3,381)	-	(15,907)
Debt due within 1 year - parent undertaking borrowings	(69,000)	-	-	(69,000)
Debt due within 1 year – bank loan	(720)	720	(120)	(120)
Debt due after 1 year – bank loan	(120)	-	120	-
Debt due after 1 year – loan notes	(107,132)	-	90,132	(17,000)
Net debt	(189,498)	(2,661)	90,132	(102,027)

25 Contingent liabilities and commitments

The terms of certain contracts with other football clubs in respect of the acquisition of players' registrations include the payment of additional amounts upon the fulfilment of specific conditions in the future. The maximum unprovided liability which may arise in respect of these players at 31 May 2014 is £4.2m (2013: £8.4m). In addition the Directors consider that there exists a further £1.5m of contingent liabilities in relation to various employee and other related matters where potential future payment by the club is possible.

The terms of certain contracts with employees of the football club include the payment of additional amounts upon the change of ownership of the football club. The unprovided liability which may arise in respect of these contractual terms at 31st May 2014 is £2.75m (2013:£nil).

Reform Acquisitions Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

26 Retirement benefit schemes

Certain members of the Group's staff are members of either the Football League Limited Players' Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the Group is one of a number of participating employers in FLLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed in the consolidated profit and loss account as they become payable. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Under the provisions of Financial Reporting Standard 17 'Retirement Benefits' the scheme would be treated as a defined benefit multi-employer scheme. The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and accordingly no disclosures are made under the provisions of Financial Reporting Standard 17 'Retirement Benefits'. This deficit has been appropriately accounted for over the remaining service lives of the employees concerned in accordance with Financial Reporting Standard 17 'Retirement Benefits'. Where employees have left the Group, the amount was charged to the consolidated profit and loss account in the year in which the deficit was paid.

At the year end, the amount outstanding in relation to the defined contribution schemes was £211,902 (2013: £301,818).

Contributions are also paid into individuals' private pension schemes. The total contributions across all schemes during the year amounted to £409,516 (2013: £479,972).

27 Events after the balance sheet date

Since the balance sheet date various players have been bought and sold. The net income of these transfers, taking into account the applicable levies, is £0.2 million (2013: £0.6 million). The net cost of these transfers, taking into account the applicable levies, is £0.1 million (2013: £18.9 million). These transfers will be accounted for in the year ending 31 May 2015.

28 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures' not to disclose transactions with other entities that are wholly owned subsidiaries of Reform Acquisitions Limited.

The Group has incurred a number of costs during the year, which are incurred on behalf of Mr R Lerner, a director of the company. These costs are repayable by the director and included in his loan account balance to the Group. At the year-end a balance of £513,250 (2013: £5,684) remained due from Mr R Lerner. This balance was settled in full after the year end date.

29 Ultimate parent undertaking and controlling party

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

Reform Acquisitions Limited are the only undertaking for which group financial statements are consolidated.