

Recon Football Limited (formerly Aston
Villa Limited)

Annual report and financial statements
for the year ended 31 May 2018

Registered number: 00046572



Recon Football Limited (formerly Aston Villa Limited)

Annual report and financial statements for the year ended 31 May 2018

	Page
Directors and advisors for the year ended 31 May 2018	1
Strategic report for the year ended 31 May 2018	2
Directors' report for the year ended 31 May 2018	3
Independent auditors' report to the members of Recon Football Limited	5
Profit and loss account for the year ended 31 May 2018	7
Balance sheet as at 31 May 2018.....	8
Statement of changes in equity for the year ended 31 May 2018	9
Notes to the financial statements for the year ended 31 May 2018	10

Recon Football Limited (formerly Aston Villa Limited)

Directors and advisors for the year ended 31 May 2018

Directors

Mr J Xia
Mr N Sawiris
Mr W Edens
Mr C Purslow

Registered office

Villa Park
Birmingham
B6 6HE

Independent auditors

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

Recon Football Limited (formerly Aston Villa Limited)

Strategic report for the year ended 31 May 2018

The directors present their strategic report and the audited financial statements for the year ended 31 May 2018.

Principal activities

The principal activity of the company is as an intermediate holding company and property investment company. Its subsidiaries are involved in the operation of a professional football club in the English Football League.

Results and dividends

The result for the financial year amounted to a loss of £22,772,407 (for the year ended 31 May 2017 restated : £394,219 profit)

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2017: £nil). They do not recommend a final dividend (for the year ended 31 May 2017: £nil).

Review of business

The football season resulted in a final league place of 4th compared to the previous season where a 13th place finish in the English Football League Championship was achieved. The 4th place finish meant the Club qualified for the English Football League Championship play offs but missed out on Promotion to the Premier League after losing in the play off final.

The club will again compete in the English Football League Championship for the 2018/19 season.

Turnover for the year, which is determined by trade agreements with a subsidiary undertaking, amounted to £1,201,385 (2017 restated: £1,350,822).

The result, before taxation, amounted to a loss of £22,772,407 (2017 restated: £394,219 profit). The loss for the financial year of £22,772,407 (2017 restated: £394,219 profit) has been deducted from reserves.

Net assets at the year end were £27,115,940 (2017 restated: £49,888,347). The directors do not recommend the payment of a final dividend which results in no dividend being paid for the year (2017: £nil).

Key Performance Indicators ('KPIs')

As a wholly owned subsidiary of the Recon Group UK Limited group, the directors do not consider that there are any informative KPIs for the company. A description of KPIs for the Recon Group UK Limited group is included in the Recon Group UK Limited's directors' report.

Principal risks and uncertainties

The principal risks and uncertainties of the Recon Group UK Limited group are set out in the Recon Group UK Limited's Strategic Report.



Mr C. Purslow
Director

08/02/19

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Directors' report for the year ended 31 May 2018

The directors present their report and the audited financial statements for the year ended 31 May 2018.

Future developments

The company is a wholly owned subsidiary of the Recon Group UK Ltd group. A description of future developments for the Recon Group UK Limited group is included in the Recon Group UK Limited's directors' report.

Dividends

The directors have not declared or paid an interim dividend during the year (for the year ended 31 May 2017: £nil). They do not recommend a final dividend (for the year ended 31 May 2017: £nil).

Charitable contributions

All fund raising events are dealt with by the Aston Villa Foundation which is registered with the Charity Commission. There were no political contributions (2017: £nil).

Financial risk management

The financial risk management objectives and policies of the group are fully described in the 2018 annual report of the holding company, Recon Group UK Limited.

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.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company NSW E SCS. The directors have received confirmation that NSW E SCS intend to support the company for at least one year after these financial statements are signed.

Directors

The directors of the company who held office during the year and up to the date of signing of the financial statements, unless stated, were:

Mr J Xia

Mr K Wyness (appointed 6 June 2017, resigned 12 June 2018)

Mr R He (appointed 6 June 2017, resigned 25 July 2018)

Mr N Sawiris (appointed 25 July 2018)

Mr W Edens (appointed 20 July 2018)

Mr C Purslow (appointed 14 September 2018)

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Directors' report for the year ended 31 May 2018 (continued)

Directors' responsibilities statement

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

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

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

The directors are responsible for keeping 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.

The directors 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.

Statement of disclosure of information to auditors

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

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


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.

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 08/02/19 and signed on its behalf.


Mr C. Purslow
Director

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Independent auditors' report to the members of Recon Football Limited

Report on the audit of the financial statements

Opinion

In our opinion, Recon Football Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 May 2018; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Independent auditors' report to the members of Recon Football Limited (continued)

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 May 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

11 February 2019

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Profit and loss account for the year ended 31 May 2018

		2018	2017
			(Restated)
	Note	£	£
Turnover	2	1,201,385	1,350,822
Operating expenses before exceptional items		(1,201,385)	(1,350,822)
Other income	3	3,000,000	-
Profit on disposal tangible fixed assets		3,469,111	-
Operating result/profit before exceptional items		6,469,111	-
Operating expenses – exceptional items	4	(29,241,518)	-
(Loss)/profit before taxation	4	(22,772,407)	-
Tax on (loss)/profit	6	-	394,219
(Loss)/profit for the financial year		(22,772,407)	394,219

All the above figures relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of other comprehensive income has been presented.

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572


Balance sheet as at 31 May 2018

		2018	2017
			(Restated)
	Note	£	£
Fixed assets			
Tangible assets	7	32,882,602	33,013,094
Investments	8	30,478,632	2,596,607
		63,361,234	35,609,701
Current assets			
Debtors	9	19,502,334	21,245,399
Creditors: amounts falling due within one year	10	(53,399,288)	(4,478,013)
Net current (liabilities)/assets		(33,896,954)	16,767,386
Total assets less current liabilities		29,464,280	52,377,087
Creditors: amounts falling due after more than one year	11	(2,348,340)	(2,488,740)
Provisions for liabilities	12	-	-
Net assets		27,115,940	49,888,347
Capital and reserves			
Called up share capital	13	258,524,733	258,524,733
Share premium account	14	15,988,985	15,988,985
Profit and loss account		(247,397,778)	(224,625,371)
Total shareholders' funds		27,115,940	49,888,347

The notes on pages 10 to 22 are an integral part of these financial statements.

The financial statements on pages 7 to 22 were approved by the Board of Directors on 08/02/19

Signed on behalf of the Board of Directors


Mr C. Purslow
Director

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Statement of changes in equity for the year ended 31 May 2018

	Share premium account £	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 June 2016	15,988,985	258,524,733	(225,019,590)	49,494,128
Profit for the financial year as previously stated	-	-	1,734,010	1,734,010
Prior year adjustment	-	-	(1,339,791)	(1,339,791)
Adjusted profit for the financial year	-	-	394,219	394,219
Balance at 31 May 2017	15,988,985	258,524,733	(224,625,371)	49,888,347
Loss for the financial year	-	-	(22,772,407)	(22,772,407)
Balance at 31 May 2018	15,988,985	258,524,733	(247,397,778)	27,115,940

The accounting policies and the notes on pages 10 to 22 form part of these financial statements.

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Notes to the financial statements for the year ended 31 May 2018

1 Accounting policies

General information

Recon Football Limited (formerly Aston Villa Limited) ('the company') principal activity continues to be an intermediate holding company and property investment company.

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

Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of accounting

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are also disclosed in this note.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Prior year adjustment

During the year, the company amended its accounting policy for the value of the investment property owned by the parent and let within the group from revaluation model to cost model, to be classified as Tangible Fixed assets following the adoption of the Amendments to FRS 102 – Triennial Review 2017. The impact of this change in accounting policy is to decrease the net book value of Investment Property, decrease profit for the financial year ending 31 May 2017, and decrease opening reserves by £1,339,791.

Recon Football Limited (formerly Aston Villa Limited)

Registered number: 00046572

Notes to the financial statements for the year ended 31 May 2018

1 Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. Exemptions under FRS 102 paragraph 1.12 have been applied: in relation to presentation of a cash flow statement, related party transactions, certain financial instrument disclosures and the non-disclosure of key management personnel compensation.

These financial statements are the company's separate financial statements.

Functional Currency

The company's functional and presentation currency is the pound sterling.

Consolidation

The financial statements contain information about Recon Football Limited (formerly Aston Villa Limited) as an individual company and do not contain consolidated financial information. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statement of its parent, Recon Group UK Limited, a company incorporated in the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. 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
Long leasehold property	1%
Freehold buildings	2 - 3%

No depreciation is provided on assets in the course of construction.

Impairment of tangible assets

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

Investment Property

Properties held by the Company and rented to another group entity are transferred to property, plant and equipment. An Investment Property is initially recognised at cost and then measured at historic cost less accumulated depreciation.

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

1 Accounting policies (continued)

Fixed asset investments

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

Deferred grant income

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

Turnover

Turnover represents all income arising from the ordinary activities of the company and is determined by reference to a trading agreement with another group company. It is stated net of discounts and value added tax.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Taxation

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

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

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised.

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

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

Deferred tax is measured on an undiscounted basis.

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

1 Accounting policies (continued)

Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and regards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

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

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

Share capital and distributions to equity holders

Ordinary shares are classified as equity. Dividends and other distributions to the company's shareholders is recognised as a liability in the financial statements in the period in which the dividend and other distributions are approved by the shareholders.

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Impairment review

The company will perform an impairment review on tangible assets if adverse events indicate that the amortised carrying value of the asset may not be recoverable. If such circumstances were to arise, the carrying value of the assets would be assessed against the company's best estimate of the asset's fair value less any costs to sell.

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

2 Turnover

All turnover has been generated from activities in the United Kingdom.

3 Other Income

	2018	2017
	£	£
Income from compensation deed relating to freehold land	3,000,000	-

4 (Loss)/profit before taxation

	2018	2017
	£	(Restated) £
The profit before taxation has been arrived at after charging/(crediting):		
Profit on disposal of tangible fixed assets	3,469,111	-
Depreciation of tangible fixed assets	1,332,785	1,341,822
Deferred grant income	(140,400)	(140,400)
Auditors' remuneration for audit services	9,000	9,000
Exceptional item: Impairment of investments	29,241,518	-

The exceptional impairment charge has been recognised to write down the value of investments to their recoverable amount.

5 Staff costs

	2018	2017
	Number	Number
Average monthly number of employees by activity		
Directors	3	1

The directors were employed and remunerated by Aston Villa Football Club Limited in the year ended 31 May 2018. They did not receive any remuneration specifically for their services as directors of the company.

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

5 Staff costs (continued)

Key management compensation

Key management personnel were remunerated for their services to the company by Aston Villa Football Club Limited. Disclosure of these amounts is included in the financial statements of Recon Sports Limited.

6 Tax on (loss)/profit

	2018	2017
	£	£
Current tax:		
Corporation tax on profits for the year	-	-
Adjustment in respect of prior periods	-	-
	-	-
Deferred tax:		
Adjustment in respect of previous periods	-	(394,219)
Tax on profit	-	(394,219)

The tax assessed on the (loss)/profit for the year is higher (2017: lower) than the standard rate of tax in the UK of 19% (2017: 19.83%). The tax calculations are reconciled below.

	2018	2017
	£	£
(Loss)/profit before taxation	(22,772,407)	1,339,791
Tax on (loss)/profit at the UK corporation tax rate of 19% (2017: 19.83%)	(4,326,757)	265,719
Expenses not deductible for tax purposes	5,149,600	-
Income not taxable	(26,676)	(27,845)
Movement in unprovided deferred tax	386	266,122
Depreciation in excess of capital allowances	-	(265,719)
Effects of group relief / other reliefs	(796,553)	(238,277)
Adjustments from previous periods	-	(394,219)
Tax credit for the year	-	(394,219)

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

7 Tangible assets

	Freehold land and buildings	Leasehold land and buildings	Total
	£	£	£
Cost			
At 1 June 2017 (as previously stated)	-	201,111	201,111
Prior year adjustment	55,361,310	-	55,361,310
At 1 June 2017 (restated)	55,361,310	201,111	55,562,421
Additions	2,533,182	-	2,533,182
Disposals	(1,505,211)	-	(1,505,211)
At 31 May 2018	56,389,281	201,111	56,590,392
Accumulated depreciation			
At 1 June 2017	-	51,453	51,453
Prior year adjustment	22,497,874	-	22,497,874
At 1 June 2017 (restated)	22,497,874	51,453	22,549,327
Charge for the year	1,330,754	2,031	1,332,785
Disposals	(174,322)	-	(174,322)
At 31 May 2018	23,654,306	53,484	23,707,790
Net book value			
At 31 May 2018	32,734,975	147,627	32,882,602
At 31 May 2017	32,863,436	149,658	33,013,094

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

8 Investments

	£
Cost	
At 1 June 2017	38,052,933
Investment in year	57,123,543
At 31 May 2018	95,176,476
Impairment	
At 1 June 2017	(35,456,326)
Impairment charge for the year	(29,241,518)
At 31 May 2018	(64,697,844)
Net book value	
At 31 May 2018	30,478,632
At 31 May 2017	2,596,607

The company has investments in the following subsidiary undertakings.

Company	Principal activity	Holding	
Aston Villa Football Club Limited	Commercial and retail operations	142,061,725 ordinary £1 shares	100%
Aston Villa FC Limited	Professional football club	2,000,000 ordinary £1 shares	100%
Aston Villa Limited	Dormant	1 ordinary £1 share	100%
Aston Villa Ladies Limited	Ladies Football Club	1 ordinary £1 share	100%

All of the subsidiary undertakings are incorporated in England and Wales and have a registered address of Villa Park, Birmingham, B6 6HE. The results of the subsidiary undertakings have been consolidated in the group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

9 Debtors

	2018	2017
	£	£
Amounts owed by group undertakings	19,502,334	21,245,399

Amounts owed by group undertakings are unsecured, bear no interest and are repayable on demand. Amounts owed by group undertakings are measured at amortised cost.

10 Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	53,389,455	4,469,013
Accruals and deferred income	9,833	9,000
	53,399,288	4,478,013

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand. Amounts owed to group undertakings are measured at amortised cost.

11 Creditors: amounts falling due after more than one year

Deferred grant income	2018	2017
	£	£
At 1 June	2,488,740	2,629,140
Credit to operating result for the year	(140,400)	(140,400)
At 31 May	2,348,340	2,488,740

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

12 Provisions for liabilities

	Deferred tax £
At 1 June 2017	-
Credited to profit and loss account	-
At 31 May 2018	-

The deferred tax consists of:

	2018 £	2017 £
Fixed asset timing differences	-	-
Total deferred tax liabilities	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £344,630 (2017: Nil). The asset would be recovered if sufficient taxable trading profits arise in the future.

13 Called up share capital

	2018 Number	2018 £	2017 Number	2017 £
Allotted and fully paid				
Ordinary shares of 5p each	5,170,494,660	258,524,733	5,170,494,660	258,524,733

14 Share premium account

	£
At 31 May 2017 and 31 May 2018	15,988,985

Recon Football Limited (formerly Aston Villa Limited)

Notes to the financial statements for the year ended 31 May 2018 (continued)

15 Ultimate parent undertaking and controlling party

In the opinion of the directors the ultimate parent undertaking at the balance sheet date was Zhejiang Ruikang Investment Co. Ltd, a Company registered in China, and the ultimate controlling party was Mr J Xia.

From 20 July 2018 the directors consider NSW E SCS, registered in Luxembourg, to be the company's controlling party.

The immediate parent undertaking is Recon Sports Limited. The largest group to consolidate these financial statements is Recon Group UK Limited and copies of these consolidated financial statements can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

16 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

17 Post Balance Sheet Events

Following investment made on 20 July 2018, NSW E SCS became the company's controlling party. NSW E SCS is a company jointly owned and controlled by businessman Nassef Sawiris Group NNS and businessman Wes Edens who immediately injected significant investment capital into the Club.