

NORWICH CITY FOOTBALL CLUB PLC

# ANNUAL REPORT 2021



FOR THE PERIOD ENDED 30 JUNE 2021

**NORWICH CITY FOOTBALL  
CLUB PLC**

ANNUAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2021

Company number 00154044

# NORWICH CITY FOOTBALL CLUB PLC

## ANNUAL REPORT

For the period ended 30 June 2021

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Board of Directors:	M M Foulger S J Phillips Ms D A Smith T Smith E M S Wynn Jones
Company Secretary:	S Hall (Head of Legal)
Other Senior Executives:	A Blofeld (Club Secretary) Z Ward (Business and Project Director) S Webber (Sporting Director) A Richens (Finance Director)
Company Number:	00154044
Registered Office:	Carrow Road Norwich NR1 1JE
Auditor:	BDO LLP 55 Baker Street London W1U 7EU

# NORWICH CITY FOOTBALL CLUB PLC

## ANNUAL REPORT

For the period ended 30 June 2021

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**STRATEGIC REPORT**

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The Directors present the Group's Strategic Report for the 11-month period ended 30 June 2021. Comparative financial statements are for the 13-month period ended 31 July 2020.

The Board have elected to prepare these financial statements for a 11-month period, as this subsumes the 2020/21 season into the financial year, as did the 13-month comparative reporting period, and thereby presents the best comparable financial information.

**Principal activities**

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

**Key performance indicators**

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

	2021	2020
Average league attendance (number)	N/A*	27,005
Season tickets sold (number)	N/A*	20,622
Total wage costs as a percentage of turnover (%)	116%	75%
Cash balance at the period end (£'000)	16,517	43,867
Group operating (loss)/profit excluding player trading (£'000)	(26,551)	11,239
League position (and points)	1 (97)	20 (21)**

\* Results are impacted by COVID-19 restrictions and therefore not comparable

\*\* The Club competed in the Premier League and were relegated during season 19/20

**Business review and future outlook**

2020/21 was a challenging period for the Club, primarily due to the continuing impact of the COVID-19 pandemic which saw restrictions throughout the campaign on fans attending matches. Despite these challenges, on pitch performances remained at a very high standard which resulted in the Club winning the Championship, recording a record number of league points and gaining promotion back to the Premier League. The Club continued to promote youth development, providing minutes to under-21 players and adding value to the Club's player assets.

As a result of competing in the Championship and receiving decreased broadcasting income, turnover in 2020/21 was £57.2m and therefore significantly lower than the prior year (2019/20: £119.3m). The total income stated for both periods was significantly impacted by the outbreak of COVID-19 and is materially lower than the Club would have achieved without restrictions in place.

Due to the impact of the decreased revenue associated with competing in the Championship and the large impact of COVID-19 on off field revenue, the Club made an operating loss (pre-player trading) of £26.6m (2019/20: £11.2m profit). However, as a result of the significant profit on player sales, the Group's results show a profit before tax of £21.5m (2019/20: £2.1m). The profit on player sales includes transfer activity from both the 2020 and 2021 summer transfer windows.

### **Business review and future outlook (continued)**

The decrease in cash for the period of £27.4m is principally a result of cash used in operations of £43.2m. The net cash generated from financing activities of £14.5m is due to drawdowns on its short-term loan facility less repayments made in the period.

The Club's strategy is to strive to be an established Premier League club driven by our proud, passionate football community. This strategy continues to involve investment of all available cash into the Club's facilities, current and future playing squads and the academy.

### **Section 172 Statement**

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have the highest regard to the interest of the Club's employees, supporters, commercial partners and other stakeholders.

#### **Community**

The Club and its charity partner the Norwich City Community Sports Foundation remain at the heart of the community, working to engage with a wide range of supporter demographics through the Foundation's various programmes. The Canaries COVID-19 Community Support Project, which aims to tackle short and longer-term effects of the pandemic, has demonstrated the Club and Foundation's ability to respond to the needs of the community. Details, together with other key community highlights of the year, are listed under the charitable activities section of the Report of the Directors.

The Club is working towards the Premier League's Equality Standard (preliminary level) and consultation with the external Equality working group, comprising a number of individuals from diverse communities and backgrounds, is a key part of this work.

#### **Club Employees**

Employees are invited to regular briefings given by the Executive Committee at which questions are taken. In addition, questions can be submitted anonymously at any time, with answers being provided via staff updates or on the weekly staff newsletter. The Club continues to hold a People Forum, comprising employees from across the organisation in order to consult on their views on a range of matters.

Employee wellbeing is of the utmost importance to the Club. Staff have access to an Employee Assistance Programme which offers support regarding financial, mental and physical wellbeing. Advice on all aspects of health, such as sleep, exercise and nutrition, is provided at briefings and via the newsletter. A Club wellbeing group meets regularly, and mental health awareness training and talks are offered.

#### **Supporter Engagement**

The Club are committed to a robust consultative process with its supporters. The Club hosts at least two public forums each year, as well as online question and answer sessions with key personnel. Regular supporter focus group meetings covering topics such as ticketing, matchday experience and atmosphere, are held, with supporters invited from its database. Additionally, the Club holds regular meetings with representatives of officially recognised Norwich City supporter groups.

An extensive online survey of the Club's 20,000-plus season ticket holders and members is conducted annually, covering a wide variety of topics.

#### **Business Relationships**

The Directors recognise that it is essential for the continued success and reputation of the Club to maintain positive relationships with commercial partners. The Club is in regular direct engagement with all partners to make sure feedback is gained through a multitude of channels and acted upon to maximise commercial relationships.

### Section 172 Statement (continued)

Key Board decision made impacting stakeholders in the year is set out below: -

- The Board was delighted to sign off on another substantial capital expenditure budget for the 2021/22 season, which is a further demonstration of the Club's ongoing commitment and strategy to advance the facilities at both the Carrow Road stadium and the Lotus Training Centre. Key projects at the Lotus Training Centre include the SoccerBot360, the first of its kind in the UK, a cutting-edge training simulation system that is regarded as the future of football training. The Club has also submitted plans for the next stage of development at the Lotus Training Centre, which includes a recovery hub and administration and media building, further strengthening the facilities position as one of the leading training centres in the country. The Club are continuing to fund the implementation of the technology roadmap at Carrow Road stadium, modernising all areas of operations and continuing to improve Carrow Road as a top tier entertainment venue.

### Streamlined Energy and Carbon Reporting (SECR)

#### Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, The Club have been engaged in a process aimed at reducing our energy and greenhouse gas emissions.

The Club currently maintain both scope 1 and 2 emissions, which are generated from our training centre and Carrow Road offices, respectively. Further, the Club have emissions from transport: personal vehicles ("grey fleet" - personal cars used for business purposes), which include coach and minibus transport.

The Club have been devising a strategy to reduce our carbon footprint significantly including:

- Encouraging employees to purchase renewable technology cars i.e. hybrids vehicles,
- Purchasing energy efficient equipment where appropriate in our offices,
- Replacing HVAC systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible.

The Club have a longstanding commitment to tackling climate change. The Club's calculated carbon footprint for the current financial year is 983.47 tCO<sub>2</sub>e, whilst energy consumption was 4,337,969.51 kWh (4,337.97 MWh) (2020: 4,100.00 MWh).

It has not been practical for the club to obtain information on total UK emissions and the intensity ratio for the 2020 comparative period. The club have therefore taken the exemption afforded by the SECR framework to not disclose this information for the comparative period.

The Club has also installed solar panels at our training ground.

#### Methodology

The Club have reported all of emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. The Club have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2021.

The reporting period is the financial year 2020/21, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.



## STRATEGIC REPORT

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### 2020 / 2021 Emissions

<u>Scope 1 (natural gas and oils)</u>	<u>Tonnes CO2 equivalent (tCO2e)</u>
	218.09
<u>Scope 2 (electricity)</u>	<u>Tonnes CO2 equivalent (tCO2e)</u>
	626.76
<u>Scope 1 (transport, electricity T&amp;D)</u>	<u>Tonnes CO2 equivalent (tCO2e)</u>
	138.62
Total	983.47 tCO2e
Scope 1, 2 and scope 3 carbon intensity	17.19 Kg CO2e/£m turnover

The intensity metric is based on a turnover of £57.2 million.

### Efficiency Measures Taken

- The Club no longer uses condiment sachets or straws,
- The Club now use wooden sporks; plastic ones have been removed,
- At Lotus Training Centre the Club now maintains a compost heap for raw food and grass cuttings to reduce landfill waste,
- Lotus Training Centre has its own allotment and herb garden which provides fresh items for all first team players and staff,
- At Carrow Road Stadium, a three-year rolling programme is in place to change all stadium lighting to LED lamps,
- Electric car charging points have been installed at Lotus Training Centre,
- At Lotus Training Centre, a waste-to-water recycling system has been installed,
- At Lotus Training Centre the Club have planted over 645 new and semi-mature trees,
- All staff have been issued with a reusable coffee cup,
- The Club are continuing work alongside its sustainability partner, Kotkamills, a Finnish manufacturer of fully recyclable food service board, to reduce its non-recyclable material consumption. Kotkamills are industry leaders in their field, providing full recyclable, sustainable paperboard made from wood that is traceable and sourced from controlled forests. The multi-year partnership will result in over 100,000 items switching to plastic free over the next 3 years and is a critical part of the Club's long-term sustainability strategy.

### Objectives for 2021/22

- Reduce the Club's baseline electricity consumption by 2%,
- Lighting: Continue to evolve and install low energy lighting across the Club's building portfolio,
- Continual review of existing office equipment and Club policies,
- Reviewing supply contracts to determine feasibility of renewable energy,
- Preparation for the Energy Savings Opportunity Scheme (ESOS) phase 3 assessments.

The Club will report on progress within our next set of financial accounts for financial year 2021/22.



**Principal business risk management objectives and policies**

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

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

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

**Going concern**

Restrictions associated to the COVID-19 pandemic caused a significant impact on the UK and global economy. The football industry, and the Club, are not immune from these issues and the restrictions on fans attending matches resulted in a significant fall in off field revenue. Due to the rollout of the vaccine throughout the UK and a successful summer pilot programme, with fans attending football matches, the 2021/22 season has begun with full crowds. This has provided the industry and the Club with optimism around returning to pre-COVID operating levels, albeit with an increased level of safety measures.

In assessing the appropriateness of the going concern assumption, the Club has produced cash flow forecasts that extend to the end of the 2023/24 football season, taking into account various possible scenarios to reflect the inherent uncertainty over COVID-19 and first team performance.

Under all reasonably foreseeable scenarios, based on the cashflow forecast, the expectations of player trading and the availability of external financing as required, the Board has concluded that other than in circumstances that are considered remote, the Club can meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements. As such, the Directors have concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Further details with regard to the directors' considerations of the going concern basis of preparation are included in note 1(b) to the financial statements.

BY ORDER OF THE BOARD



S Phillips

**Director**

16 October 2021

# NORWICH CITY FOOTBALL CLUB PLC

## REPORT OF THE DIRECTORS

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The Directors present their report and the consolidated financial statements for the period ended 30 June 2021.

### Information included in the Strategic Report

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

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

### Results and dividends

The profit for the period after taxation amounted to £15,713,000 (2020: £1,974,000).

A dividend on the 'A' preference shares of £507 (2020: £507) and on the 'B' preference shares of £63,778 (2020: £63,778) has been paid in the period ended 30 June 2021 (note 11).

### Directors

The Directors of the Company serving as at 30 June 2021 together with their beneficial interests in the Company's issued share capital were:

	Ordinary shares		'B' preference shares	
	of £1 each		of £1 each	
	30 June 2021	31 July 2020	30 June 2021	31 July 2020
M M Foulger	98,200	98,200	4,400	4,400
S J Phillips	100	100	-	-
Ms D A Smith	100	100	-	-
T Smith	104	104	1	1
E M S Wynn Jones	100	100	-	-
Ms D A Smith and E M S Wynn Jones (jointly)	327,109	327,109	3,025	3,025
	=====	=====	=====	=====

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

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

### Directors' and officers' liability insurance

During the period ended 30 June 2021 the Group maintained liability insurance for its Directors and Officers, as permitted by Section 233 of the Companies Act 2006.

### Share capital

During the period no £1 ordinary shares were issued (2020: nil).

### Principal financial risk management objectives and policies

The Group aims to minimise financial risk and prepares three-season rolling budgets and monitors actual performance against these budgets. In addition the Group prepares rolling cash flow forecasts to make sure that cash is managed effectively. As part of its strategy, the Group has implemented a number of initiatives to ensure that it has sufficient cash resources to meet its day to day requirements (see note 1 (b)).

## REPORT OF THE DIRECTORS

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### **Principal financial risk management objectives and policies (continued)**

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

Further details with regard to the director's considerations of the impact of the outbreak of COVID-19 are included in note 1(b) to the financial statements.

### **Charitable activity**

Norwich City Community Sports Foundation, the club's official charity, uses the power of sport to support and inspire the community.

The Foundation's charitable objectives are:

- Driving inclusion for people with disabilities
- Boosting mental health and wellbeing
- Inspiring disadvantaged people to raise their aspirations

In addition, the Foundation offers several affordable services that provide widespread community engagement and positive impact. Surplus created from these activities is reinvested to help the Foundation to achieve its charitable objectives.

The COVID-19 pandemic provided significant challenges to the Foundation, with the cancellation of fundraising events and in-person delivery of programmes. Vital support came from the generosity of Norwich City Football Club season ticket holders and members, many of whom donated their 2019/20 rebates to the Foundation, raising an impressive £175,000 including gift aid. Through this support the emergency set up of Canaries COVID-19 Community Task Force from staff across both the Football Club and Foundation worked by three objectives under the banner of response and recovery phases.

- Support of fans where necessary and undertake community engagement initiatives
- Support the most vulnerable in our wider community by working with local charities and local authorities and community groups
- Support the NHS and carers to help them do their job

The Foundation continued to provide remote engagement for its programmes throughout lockdown restrictions engaging thousands of individuals and families by online connectivity. The newly developed purpose-built app housed activities to support with learning and keeping active at home. Examples of other support included:

- 7,000 calls made to older and vulnerable season ticket holders with over 300 calls made by first team players and the Executive team.
- 75,000 food items were provided in 2,500 care packages across Norfolk
- 20 local charities with various bespoke needs given support
- 150 goody bags delivered to children and families with special educational needs
- 640 care packages and cake delivered to social care providers in Norfolk and Waveney
- 13,898 PPE items delivered in one week on behalf of the NHS
- 'Clap for Carers' video produced in association with Norfolk and Waveney Care Association – 17k views

## REPORT OF THE DIRECTORS

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### **Charitable activity (continued)**

Despite the pandemic challenges, construction was completed on the Foundation's community hub, The Nest, in March 2021 following a successful fundraising campaign. It was opened to the public when restrictions permitted in 2021.

Norwich City Football Club contributed £250,000 of match-funding in 2021 to boost the #BuildTheNest campaign in the final stages, following an earlier of contribution of £250,000 in 2020.

The £4.6 million pound phase of development saw the construction of a new main building and the installation of a new full-size floodlit 3G pitch and 'challenge woods' outdoor activity area, adding to the facilities that were renovated and reopened in September 2018.

The Nest's 3G pitch is also the home of Norwich City Women FC.

While in-person player appearances were not possible during the 2020/21 season because of the pandemic, several players made online appearances for Foundation programmes including Tim Krul, Max Aarons, Michael McGovern, Sam Byram, Bali Mumba and Christoph Zimmermann.

### **Colleague involvement**

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

### **Disabled colleagues**

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

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

### **Payments to suppliers**

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

### **Asset values**

Accounting Standards require the Club to value its assets using specific criteria. At the period end there were 62 players (2020: 60) for which the cost of their registration has been capitalised and is being amortised over the period of the respective players' contracts. The combined net book value of these players at 30 June 2021 was £27.3 million (2020: £23.1 million). Carrow Road stadium and other land and buildings are currently stated at £31.0 million (2020: £31.0 million), being carried at a historic cost basis or an adopted valuation (deemed cost) less accumulated depreciation as detailed in note 14. In the opinion of the Directors, the replacement cost of the land and buildings at 30 June 2021 would exceed the book value included in the financial statements.

### **Post balance sheet events**

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

**REPORT OF THE DIRECTORS**

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**Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the Group and Company 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 Group and Company and the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

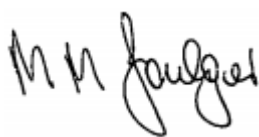
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

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

In so far as each of the Directors is aware:

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

BY ORDER OF THE BOARD



M Foulger

**Director**

16 October 2021

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

**Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Norwich City Football Club Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

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

*Independence*

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

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

## INDEPENDENT AUDITOR'S REPORT

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knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

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

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

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

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

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

### **Responsibilities of Directors**

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

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

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

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.



## INDEPENDENT AUDITOR'S REPORT

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Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies, UK GAAP, the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.

Football clubs are subject to specific regulation, which in the case of Norwich City Football Club, is promulgated by the Football Association and the EPL, which may result in financial penalties, player trading embargoes or other sanctions. In addition, changes to legislation affecting all UK companies such as tax legislation (e.g. The Corporate Criminal Offence Act or 'CCO'), GDPR and other developments can give rise to contingent or actual liabilities in the event of non-compliance.

We made enquiries of those charged with governance and management, including obtaining and reviewing supporting documentation, concerning the company's internal policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

We determined that the principle risk were related to inappropriate journals entries, management bias in accounting estimates and revenue recognition. Our audit procedures included but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations;
- Testing a sample of revenue transactions to signed contracts and other third-party documentation to ensure they are recorded in the correct period;
- Review of minutes of board meetings from throughout the year; and
- Review of the consolidation including manual adjustments at the consolidation level.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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

### Ian Clayden (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor  
London

18 October 2021

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

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2021

	Note	Operations excluding player trading £'000	Player trading £'000	2021 Total £'000	2020 Total £'000
<b>Group turnover</b>	3	57,179	-	57,179	119,352
Operating expenses	4	(85,111)	(10,712)	(95,823)	(118,509)
Other operating income	5	1,381	-	1,381	1,801
Gain on disposal of players' registrations	6	-	59,552	59,552	1,552
Gain on disposal of fixed assets		-	-	-	30
<b>Group operating profit</b>		<b>(26,551)</b>	<b>48,840</b>	<b>22,289</b>	<b>4,226</b>
Interest receivable and similar income	9	20	369	389	401
Interest payable and similar charges	10	(962)	(240)	(1,202)	(2,488)
<b>Profit/(loss) on ordinary activities before tax</b>		<b>(27,493)</b>	<b>48,969</b>	<b>21,476</b>	<b>2,139</b>
Taxation	12			(5,763)	(165)
<b>Profit for the period</b>				<b>15,713</b>	<b>1,974</b>
<b>Other comprehensive income for the period</b>				-	-
<b>Total comprehensive income for the period</b>				<b>15,713</b>	<b>1,974</b>
<b>Profit and total comprehensive income for the period attributable to:</b>					
Non-controlling interests				(22)	8
Owners of the parent company				15,735	1,966
				<b>15,713</b>	<b>1,974</b>

All operations are continuing.

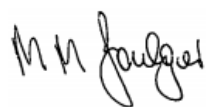
The accompanying accounting policies and notes form an integral part of these financial statements.

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible fixed assets	13		27,299		23,141
Tangible fixed assets	14		38,760		37,040
			<u>66,059</u>		<u>60,181</u>
<b>Current assets</b>					
Stocks	16	437		840	
Debtors: amounts falling due within one year	17	31,412		9,520	
Debtors: amounts due after more than one year	17	30,500		-	
Cash at bank and in hand		16,517		43,867	
		<u>78,866</u>		<u>54,227</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(83,794)</u>		<u>(93,909)</u>	
<b>Net current (liabilities)/assets</b>			<u>(4,928)</u>		<u>(39,682)</u>
<b>Total assets less current liabilities</b>			<u>61,131</u>		<u>20,499</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(38,108)		(13,108)
<b>Deferred grant income</b>	20		(1,274)		(1,355)
<b>Provisions for liabilities</b>	21		(1,195)		(1,195)
			<u>20,554</u>		<u>4,841</u>
<b>Net assets</b>			<u>20,554</u>		<u>4,841</u>
<b>Capital and reserves</b>					
Called up equity share capital	23		617		617
Share premium account	24		10,730		10,730
Revaluation reserve	24		71		71
Capital redemption reserve	24		34		34
Profit and loss account	24		9,117		(6,618)
			<u>20,569</u>		<u>4,834</u>
<b>Equity attributable to owners of the parent company</b>			<u>20,569</u>		<u>4,834</u>
<b>Non-controlling interests</b>			<u>(15)</u>		<u>7</u>
<b>Total equity</b>			<u>20,554</u>		<u>4,841</u>

The financial statements were approved by the board of Directors, signed and authorised for issue on 16 October 2021 and signed on its behalf by:



M Foulger

**Director**

# NORWICH CITY FOOTBALL CLUB PLC

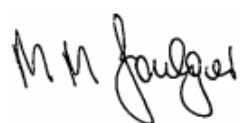
## COMPANY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

Company number 00154044

	Note	2021	2020
		£'000	£'000
<b>Fixed assets</b>			
Intangible fixed assets	13	27,299	23,141
Tangible fixed assets	14	39,340	37,620
Fixed asset investments	15	-	-
		<hr/>	<hr/>
		66,639	60,761
<b>Current assets</b>			
Stocks	16	437	840
Debtors: amounts falling due within one year	17	31,403	9,483
Debtors: amounts due after more than one year	17	30,500	-
Cash at bank and in hand		16,508	43,821
		<hr/>	<hr/>
		78,848	54,144
<b>Creditors: amounts falling due within one year</b>	18	(84,283)	(94,423)
		<hr/>	<hr/>
<b>Net current (liabilities)</b>		(5,435)	(40,279)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		61,204	20,482
<b>Creditors: amounts falling due after more than one year</b>	19	(38,108)	(13,108)
<b>Deferred grant income</b>	20	(1,274)	(1,355)
		<hr/>	<hr/>
<b>Net assets</b>		21,822	6,019
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up equity share capital	23	617	617
Share premium account	24	10,730	10,730
Revaluation reserve	24	71	71
Capital redemption reserve	24	34	34
Profit and loss account	24	10,370	(5,433)
		<hr/>	<hr/>
<b>Total equity</b>		21,822	6,019
		<hr/>	<hr/>

The profit for the period ended 30 June 2021 arising in the accounts of the Company is £15,803,000 (2020: £1,946,000).

The financial statements were approved by the board of Directors, signed and authorised for issue on 16 October 2021 and signed on its behalf by:



M Foulger

**Director**

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

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2021

	Called up equity share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Equity attributable to owners of the parent company £'000	Non- controlling interests £'000	Total equity £'000
<b>Group:</b>								
1 August 2020	617	10,730	71	34	(6,618)	4,834	7	4,841
Comprehensive income for the period:								
Profit for the period	-	-	-	-	15,735	15,735	(22)	15,713
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	15,735	15,735	(22)	15,713
<b>30 June 2021</b>	<b>617</b>	<b>10,730</b>	<b>71</b>	<b>34</b>	<b>9,117</b>	<b>20,569</b>	<b>(15)</b>	<b>20,554</b>
1 July 2019	617	10,730	71	34	(8,584)	2,868	(1)	2,867
Comprehensive income for the period:								
Profit for the period	-	-	-	-	1,966	1,966	8	1,974
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(1,966)	1,966	8	1,974
<b>31 July 2020</b>	<b>617</b>	<b>10,730</b>	<b>71</b>	<b>34</b>	<b>(6,618)</b>	<b>4,834</b>	<b>7</b>	<b>4,841</b>

# NORWICH CITY FOOTBALL CLUB PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2021

	Called up equity share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	<b>Total equity £'000</b>
<b>Company:</b>						
1 August 2020	617	10,730	71	34	(5,433)	6,019
<i>Comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	15,803	15,803
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	15,803	15,803
<b>30 June 2021</b>	<b>617</b>	<b>10,730</b>	<b>71</b>	<b>34</b>	<b>10,370</b>	<b>21,822</b>
1 July 2019	617	10,730	71	34	(7,379)	4,073
<i>Comprehensive income for the period:</i>						
profit for the period	-	-	-	-	1,946	1,946
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,946	1,946
<b>31 July 2020</b>	<b>617</b>	<b>10,730</b>	<b>71</b>	<b>34</b>	<b>(5,433)</b>	<b>6,019</b>

# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2021

	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>		
Profit for the financial period	15,713	1,974
Gain on disposal of players' registrations	(59,552)	(1,552)
Gain on disposals of fixed assets	-	(30)
Finance income	(389)	(401)
Finance expense	1,202	2,488
Taxation expense	5,763	165
Impairment of intangible fixed assets	-	-
Amortisation of intangible fixed assets	10,712	8,565
Depreciation of tangible fixed assets	2,431	2,599
Decrease/(increase) in stocks	403	(380)
Decrease/(increase) in debtors	1,085	1,684
(Decrease)/increase in creditors	(19,877)	46,060
(Decrease) in deferred grant income	(80)	(95)
Increase/(decrease) in provisions	-	(3,901)
<b>Cash (used in)/generated from operations</b>	<b>(42,589)</b>	<b>57,176</b>
Interest received	389	401
Interest paid	(978)	(2,488)
Taxation paid	-	152
<b>Net cash (used in)/generated from operating activities</b>	<b>(43,178)</b>	<b>55,241</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(16,069)	(23,396)
Purchase of tangible fixed assets	(4,151)	(6,199)
Proceeds from sale of intangible fixed assets	21,588	26,856
<b>Net cash generated from/(used in) investing activities</b>	<b>1,368</b>	<b>(2,739)</b>
<b>Cash flows from financing activities</b>		
Financing element of purchase of intangible fixed assets	(364)	(32)
Financing element of proceeds from sale of intangible fixed assets	369	(379)
Short term loan capital receipts	25,000	39,784
Short term loan capital repayments	(10,460)	(29,324)
Repayments of Bond	(21)	(475)
Preference dividends paid	(64)	(65)
<b>Net cash generated from financing activities</b>	<b>14,460</b>	<b>9,509</b>
<b>(Decrease)/increase in cash during the period</b>	<b>(27,350)</b>	<b>62,011</b>
Cash and cash equivalents at beginning of period	43,867	(18,144)
<b>Cash and cash equivalents at end of period</b>	<b>16,517</b>	<b>43,867</b>



# NORWICH CITY FOOTBALL CLUB PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2021

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	2021 £'000	2020 £'000
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	16,517	43,867
Bank overdrafts	-	-
	<hr/>	<hr/>
	16,517	43,867
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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**1 ACCOUNTING POLICIES**

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

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

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

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

**(b) Going concern**

Restrictions associated to the COVID-19 pandemic caused a significant impact on the UK and global economy. The football industry, and the Club, are not immune from these issues and the restrictions on fans attending matches resulted in a significant fall in off field revenue. Due to the rollout of the vaccine throughout the UK and a successful summer pilot programme, with fans attending football matches, the 2021/22 season has begun with full crowds. This has provided the industry and the Club with optimism around returning to pre-COVID-19 operating levels, albeit with an increased level of safety measures.

Despite the off-field challenges, the Club managed to win promotion to the Premier League, being crowned champions on a Club record number of points. This along with the relaxation of restrictive measures has meant that the Club can forecast with a greater level of certainty. The Club monitors its funding position and its liquidity risk throughout the year to ensure it can reasonably expect to have access to sufficient funds to meet forecast cash requirements for the foreseeable future. Sensitivities are run to reflect different scenarios including, but not limited to, change in government policies (in particular the attendance of crowds at football stadia), potential rebates on broadcasting or advertising revenues and a significant reduction in player transfer activity throughout the football industry. This identifies risks to liquidity and enables the Club to formulate appropriate and timely mitigation strategies.

During the summer transfer window, the club realised significant value from the sale of players which was subsequently reinvested into the squad. Some of the cash flows from these sales, purchases and loan deals are immediate and some are deferred, as is customary in football player transactions. Following the closure of the summer transfer window, the Directors have undertaken a thorough review of the Club’s budgets and forecasts which have highlighted a need to accelerate player receivables, work is ongoing to secure this, and the Club is confident in its current position.

In assessing the appropriateness of the going concern assumption, the Club has produced detailed cash forecasts to the end of the 2022/23 season and higher-level forecasts that extend to the 2023/24 season, taking into account various possible scenarios to reflect the inherent uncertainty over COVID-19 and first team performance.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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**1 ACCOUNTING POLICIES (CONTINUED)**

**(b) Going concern (continued)**

In certain downside scenarios, the Club acknowledges that external funding, in all likelihood in the form of accelerated player or other receivables, or the realisation of value inherent within the Club's player assets, may be required. Despite these not being contracted at this time, the Directors believe that due to a history of accelerating the cash flows on these assets, a currently liquid market for leveraging receivables, and an active transfer market, if this need arises, sufficient funds will remain available and so have not incurred financing costs, at the present time, on accelerated amounts that may not be required.

The Board has concluded that, under all these reasonably foreseeable scenarios, based on the cashflow forecast, the expectations of player trading and the availability of external financing as required, the Club can meet its liabilities as they fall due and have not identified a material uncertainty in this regard. As such, the Directors have concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

**(c) Consolidated financial statements**

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

The results of acquired subsidiary undertakings are included in the consolidated statement of comprehensive income from the date of which control is obtained.

**(d) Turnover**

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

**(e) Financial instruments**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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**1 ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (continued)**

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

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

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

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

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

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

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

**(g) Investment property**

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

**(h) Leases**

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

**(i) Stocks**

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

**(j) Taxation**

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with FRS 102, provision is made for deferred taxation liabilities in respect of all timing differences that have originated but not reversed by the statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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**1 ACCOUNTING POLICIES (CONTINUED)**

**(j) Taxation (continued)**

Deferred taxation assets are recognised to the extent that it is more likely than not that they will be recovered through utilisation against future taxable profits. Deferred taxation balances are not discounted.

**(k) Grant income**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

The group recognises an unconditional government grant related to the Coronavirus Job Retention Scheme as other income when the grant becomes receivable.

Grants that compensate the company for expenses incurred are recognised in the consolidation statement of comprehensive income on a systematic basis in the periods in which the expenses are recognised.

**(l) Pensions**

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

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

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

**(m) Intangible Fixed Assets**

**Initial Recognition**

Players' registrations costs including transfer fees, associated agent fees, League levy fees and other directly attributable costs are initially recognised at the fair value of the consideration payable for the acquisition. When a player's registration is acquired, management make an assessment to estimate the likely outcome of specific performance conditions. Contingent consideration will be recognised in the players' registrations costs when management believes the performance conditions are met in line with the contractual terms. Periodic reassessments of the contingent consideration are completed. Any contingent amounts that management believe will be payable are included in the players' registrations from the date management believe the performance conditions are met. Any additional amounts of contingent consideration not included in the costs of players' registrations are disclosed separately as a commitment. Amortisation of costs is on a straight-line basis over the length of the players' contract.

**Disposal**

When a player's registration sale is completed, the fair value of consideration receivable less any applicable transaction costs, is assessed against the registration's carrying value. Where the amounts are different, gains and losses arising as a result of the sale are recorded and disclosed separately within profit or loss on players' registrations in the profit or loss account. Contingent consideration receivable from a sale of the players' registrations is only recognised in the profit or loss account once the performance conditions within the contract are met.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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**1 ACCOUNTING POLICIES (CONTINUED)**

**(n) Impairment**

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

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

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

**(o) Loan players**

*Loans out*

Loan player income receivable is included in Other Operating Income in the Statement of Comprehensive Income.

Other employment costs include the Club's contribution to a loaned out player's salary whereby the player's contract temporarily transfers to the loaning club for the duration of the loan period.

*Loans in*

Loan player wages and salaries are included in other employment costs.

**(p) Provisions**

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

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

**(q) Foreign exchange**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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

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

**(a) Player impairments**

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

**(b) Onerous contracts**

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

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

**(c) Estimation of provisions**

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

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

**(d) Deferred taxation**

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



# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

### 3 TURNOVER

Turnover in respect of the business operations comprised:

	2021 £'000	2020 £'000
Gate receipts and ticket sales	118	7,615
Broadcasting (FA & League income)	47,852	90,219
Media	1,124	130
Catering	415	4,593
Commercial	2,360	3,857
Sponsorship & Advertising	2,716	10,282
UEFA Solidarity & Prize Money	1,369	1,440
Other income	869	711
Soccer schools	356	505
Total turnover	57,179	119,352

### 4 OPERATING EXPENSES

Total operating expenses comprised:

	2021 £'000	2020 £'000
Staff costs (note 7)	66,623	88,925
Depreciation of tangible fixed assets (note 14)	2,431	2,599
Auditor's remuneration:		
- audit of the Company's financial statements	40	37
- tax services	20	151
- other accounting services	6	27
Operating lease rentals	471	422
Other operating expenses	15,520	17,783
	85,111	109,944
Amortisation and impairment of intangible fixed assets (note 13)	10,712	8,565
Total operating expenses	95,823	118,509

The total charge resulting from the impairment of player registrations was £nil (2020: £nil).

### 5 OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Loan player income	639	773
Donations	1	4
Grant income	741	1,024
	1,381	1,801

Included within Grant income are claims totalling £741,000 (2020: £1,024,000) to cover wages and salaries for the Group's employees placed on temporary leave ('furlough') under the Coronavirus Job Retention Scheme.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

### 6 GAIN ON DISPOSAL OF PLAYERS' REGISTRATIONS

	2021 £'000	2020 £'000
Gain on disposal of players' registrations	59,552	1,552

### 7 STAFF COSTS

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

	<b>Group &amp; Company</b>	
	2021 £'000	2020 £'000
Wages and salaries	54,628	73,336
Other employment costs (including loan players)	4,842	5,479
	59,470	78,815
Social security costs	6,951	9,758
Pension costs	202	352
	66,623	88,925

Included in staff costs is a charge of £nil (2020: £nil) relating to the contracts of certain players whose registration value is impaired and whose contracts have been classified as onerous. During the period ended 30 June 2021, £Nil (2020: £3.5m) of player salaries were charged against brought forward provisions and are therefore not included above. Promotion bonuses are included in wages and salaries for 2021 as a result of the Club's promotion to the Premier League.

The average monthly number of regular employees, including Directors, during the period ended 30 June 2021 was as follows:

	<b>Number of employees</b>	
	2021	2020
Directors	5	5
Football (including academy and football support staff)	142	159
Other	185	163
	332	327

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

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### 8 DIRECTORS' REMUNERATION

No Directors received any remuneration in the current or previous year. Key management personnel compensation is detailed in note 28.

### 9 INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Bank interest receivable	<b>20</b>	21
Finance income on unwinding of discount on player receivables	<b>369</b>	380
	<hr/>	<hr/>
	<b>389</b>	401
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

**10 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Bank loans and overdrafts (note 18)	<b>420</b>	2,120
Exchange rate losses	<b>140</b>	53
	<b>560</b>	2,173
Pension liability (note 26)	<b>42</b>	59
Finance charges on shares classified as liabilities: preference share dividends	<b>59</b>	64
Finance charges on unwinding of discounts on player liabilities	<b>240</b>	30
Other interest payable	<b>301</b>	162
	<b>1,202</b>	2,488

**11 DIVIDENDS ON SHARES CLASSIFIED AS FINANCIAL LIABILITIES**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Dividend payable</b>		
‘A’ preference shares	<b>1</b>	1
‘B’ preference shares	<b>63</b>	63
	<b>64</b>	64

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

**a. Analysis of tax (charge)/credit for the period ended 30 June 2021:**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Current tax</b>		
UK Corporation tax (charge) on profit	<b>(2,623)</b>	(113)
Adjustments in respect of prior periods	<b>(455)</b>	356
	<b>(3,078)</b>	243
<b>Deferred tax</b> (note 12c)		
Current period	<b>(3,028)</b>	(695)
Adjustments in respect of prior periods	<b>343</b>	287
	<b>(2,685)</b>	(408)
Total tax (charge)	<b>(5,763)</b>	(165)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

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

b. Factors affecting the tax charge for the period ended 30 June 2021:

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

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	21,476	2,139
At standard rate of corporation tax in the UK of 19% (2020: 19%)	4,080	406
Expenses not deductible for tax purposes (net of income not taxable)	697	27
Fixed asset differences	186	393
Losses carried back	-	-
Income not taxable	(15)	(18)
Adjustment in respect of prior periods	455	(356)
Adjustment to deferred tax rates	(343)	(238)
Effect of change in tax rate	703	(49)
	5,763	165

c. Analysis of deferred tax (liability):

	Tangible fixed asset timing differences £'000	Intangible fixed asset timing differences £'000	Other short term timing differences £'000	Tax losses carried forward £'000	Total £'000
At 1 August 2020	(550)	(5,124)	166	5,275	(233)
(Charged)/credited to profit or loss	(387)	2,065	-	(4,741)	(3,063)
Adjustment to tax rates	(83)	(1,505)	163	1,460	35
Adjustment to prior periods	(115)	759	350	(651)	343
At 30 June 2021	(1,135)	(3,805)	679	1,343	(2,918)

The Group's deferred tax liability in respect of rolled over gains on disposal of player registrations partly arose in the prior year and decreased in the current year, as the gains were reinvested into new player additions, and the remaining liability is expected to crystallise on the disposal of certain players' registrations, subject to the Group's ability to further defer future taxable gains on disposal.

d. Factors that may affect future tax charges:

The substantively enacted tax rate remained at 19% as at the balance sheet date of 30 June 2021. It was announced on 3 March 2021 that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits. The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now considered substantively enacted. If the unwinding of the deferred tax asset occurs during or after the tax year commencing 1 April 2023, they will unwind based on the above new rates.

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

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### 13 INTANGIBLE FIXED ASSETS

<b>Group and Company</b>	<b>Players' registrations £'000</b>
<i>Cost</i>	
At 1 August 2020	48,141
Additions	21,603
Disposals	(17,640)
	<hr/>
At 30 June 2021	52,104
	<hr/>
<i>Amortisation</i>	
At 1 August 2020	25,000
Charge for the period	10,712
Disposals	(10,907)
Impairments	-
	<hr/>
At 30 June 2021	24,805
	<hr/>
Net book value at 30 June 2021	<b>27,299</b>
	<hr/> <hr/>
Net book value at 31 July 2020	23,141
	<hr/> <hr/>

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

### 14 TANGIBLE FIXED ASSETS

<b>Group</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Motor vehicles £'000</b>	<b>Investment property £'000</b>	<b>Assets under construction £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>						
At 1 August 2020	58,391	13,747	11	765	-	72,914
Additions	1,448	512	-	-	2,191	4,151
Disposals	(14,226)	(4,447)	-	-	-	(18,673)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2021	45,613	9,812	11	765	2,191	58,392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 August 2020	25,402	10,461	11	-	-	35,874
Charge for the period ended 30 June 2021	1,487	944	-	-	-	2,431
Disposals	(12,291)	(6,382)	-	-	-	(18,673)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2021	14,598	5,023	11	-	-	19,632
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 June 2021	<b>31,015</b>	<b>4,789</b>	<b>-</b>	<b>765</b>	<b>2,191</b>	<b>38,760</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 July 2020	32,989	3,286	-	765	-	37,040
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Disposals in the year totalling £18,673,000 relate to historical unidentifiable assets which were fully depreciated.

The net book value of freehold land and buildings comprises:

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Assets at deemed cost</b>		
Land (not depreciated)	<b>2,113</b>	2,113
<b>Assets at cost</b>		
Land (not depreciated)	<b>1,325</b>	1,325
Buildings and infrastructure	<b>27,577</b>	29,551
	<hr/>	<hr/>
	<b>31,015</b>	32,989
	<hr/>	<hr/>



# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

### 14 TANGIBLE FIXED ASSETS (CONTINUED)

	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Investment property £'000	Assets under construction £'000	Total £'000
<b>Company</b>						
<i>Cost or valuation</i>						
At 1 August 2020	58,560	13,747	11	765	-	73,083
Additions	1,448	512	-	-	2,191	4,151
Disposals	(14,226)	(4,447)	-	-	-	(18,673)
At 30 June 2021	45,782	9,812	11	765	2,191	58,561
<i>Depreciation</i>						
At 1 August 2020	24,991	10,461	11	-	-	35,463
Charge for the period ended 30 June 2021	1,487	944	-	-	-	2,431
Disposals	(12,291)	(6,382)	-	-	-	(18,673)
At 30 June 2021	14,187	5,023	11	-	-	19,221
Net book value at 30 June 2021	<b>31,595</b>	<b>4,789</b>	<b>-</b>	<b>765</b>	<b>2,191</b>	<b>39,340</b>
Net book value at 31 July 2020	33,569	3,286	-	765	-	37,620

Disposals in the year totalling £18,673,000 relate to historical unidentifiable assets which were fully depreciated.

The net book value of freehold land and buildings comprises:

	2021 £'000	2020 £'000
<b>Assets at adopted valuation</b>		
Land (not depreciated)	1,917	1,917
<b>Assets at cost</b>		
Land (not depreciated)	2,185	2,185
Buildings and infrastructure	27,493	29,467
	<b>31,595</b>	33,569

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:

	2021 £'000	2020 £'000
Cost and net book value	1,846	1,846

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

14 TANGIBLE FIXED ASSETS (CONTINUED)

**Investment properties**

The Company's investment property was valued at open market value on transition to FRS 102 at 1 July 2016 using actual contracted rental information and observed local commercial property yields. In the view of the Directors, having given the matter appropriate consideration, this valuation remains appropriate as at 30 June 2021.

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

	<b>Group &amp; Company</b>	
	<b>2021</b>	2020
	<b>£'000</b>	£'000
Historic cost	<b>745</b>	745
Accumulated depreciation and impairments	<b>(178)</b>	(178)
	<b>567</b>	567

15 FIXED ASSET INVESTMENTS

	<b>Company</b>
	<b>Investment in subsidiary undertakings</b>
	<b>£'000</b>
<i>Cost</i>	
At 1 August 2020	940
Additions	-
	<b>940</b>
At 30 June 2021	940
<i>Amounts written off</i>	
At 1 August 2020	940
	<b>940</b>
At 30 June 2021	-
Net book value at 31 July 2020	-
Net book value at 30 June 2021	-

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

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### 15 FIXED ASSET INVESTMENTS (CONTINUED)

#### Subsidiary undertakings

The subsidiary undertakings, which were incorporated in England and Wales (unless otherwise stated) and are included within the consolidated financial statements at 30 June 2021, are as follows:

Company	% owned	Principal Activity
N.C.F.C. (Holdings) Limited	100%	Property holding company
Kerrison Holdings Limited	100%	Provision of car park facilities and property development
Kerrison Developments Limited	100%	Investment holding company
Norwich City FC Regional Development Programme Ltd	75%	Provision of football training
Canary Sports LLC	100%	Provision of soccer schools in Florida, USA

N.C.F.C. (Holdings) Limited, Kerrison Holdings Limited and Kerrison Developments Limited are all in the process of liquidation. The registered address for these companies is now 55 Baker Street, London, W1U 7EU, previously Carrow Road, Norwich, NR1 1JE.

The registered address for Norwich City FC Regional Development Programme Ltd is Carrow Road, Norwich, NR1 1JE.

Canary Sports LLC is incorporated in the United States of America. The registered address for Canary Sports LLC is 100 South Ashley Drive, Suite 400, Tampa, Florida 33602.

Norwich City FC Regional Development Programme Ltd, company number 12030148, is included in the consolidated financial statements, is entitled to, and has opted to take, exemption from the requirement for their individual financial statements to be audited under section 479a of the Companies Act 2006 relating to subsidiary companies.

### 16 STOCKS

	Group and Company	
	2021 £'000	2020 £'000
Goods for resale	437	840

A stock provision of £nil was recognised in the period (2020: £nil).

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

### 17 DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	5,534	6,581	5,519	6,576
Player debtors	54,345	868	54,345	868
Other debtors	1,091	1,131	788	823
Amounts owed by group undertakings	-	-	311	276
Prepayments and accrued income	942	940	940	940
Deferred tax asset (note 12)	-	-	-	-
	<u>61,912</u>	<u>9,520</u>	<u>61,903</u>	<u>9,483</u>

Included in player debtors (Group & Company) above are amounts totalling £27,833,011 (2020: £nil) falling due after more than one year.

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

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
4.5% 'B' preference shares of £1 each (note 23)	1,419	-	1,419	-
Short term loan	-	10,460	-	10,460
Trade creditors	1,617	652	1,616	694
Player creditors	14,017	6,804	14,017	6,804
Receipts in advance	13,664	9,992	13,590	9,992
Other taxes and social security	17,981	29,162	17,981	29,162
Corporation tax	3,191	113	3,191	113
Dividends payable on shares classified as financial liabilities	88	70	88	70
Other creditors	8	2	-	1
Amounts owed to subsidiary undertakings	-	-	726	635
Accruals and deferred income	26,388	35,891	26,234	35,729
Directors' loans	250	250	250	250
Deferred tax (note 12)	2,918	233	2,918	233
Other loans	2,253	280	2,253	280
	<u>83,794</u>	<u>93,909</u>	<u>84,283</u>	<u>94,423</u>

Other loans represent certain amounts remaining payable in relation to a Bond issue undertaken in April 2018 to raise funds for facilities at the Company's training ground. These amounts are due for repayment under one year as the criteria for the amounts to be repayable on demand is dependent on the Club being in the Premier League. Interest of £Nil was charged on the loan (2020: £495k due to promotion to the Premier League).

The 4.5% 'B' preference shares of £1 each are classified as repayable due under one year. Where valid requests have been received, subject to the Company being permitted to do so in accordance with its Articles of Association, redemption will (subject to when the valid request was received) take place on 1 January 2022.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
5.25% 'A' preference shares of £1 each (note 23)	<b>10</b>	10
4.5% 'B' preference shares of £1 each (note 23)	-	1,419
Accruals and deferred income	<b>3,687</b>	7,603
Player creditors	<b>9,187</b>	2,081
Other loans	-	1,995
Short term loan	<b>25,224</b>	-
	<b>38,108</b>	13,108

The short-term loan, inclusive of arrangement fee is all due over one year and relates to accelerated funds secured on future media rights and fully repayable by September 2022. The interest rate due on the loan is 5% per annum. The amounts falling due after more than one year fall due for repayment as follows:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>In one to two years</b>		
4.5% 'B' preference shares of £1 each (note 23)	-	1,419
Accruals and deferred income	<b>3,687</b>	7,603
Player creditors	<b>9,187</b>	2,081
Short term loan	<b>25,224</b>	-
	<b>38,098</b>	11,103

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>In two to five years</b>		
Other loans	-	1,995
	-	1,995

# NORWICH CITY FOOTBALL CLUB PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>In more than five years</b>		
5.25% 'A' preference shares of £1 each	<b>10</b>	<b>10</b>

### 20 DEFERRED GRANT INCOME

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred grant income</b>		
At 1 August 2020	<b>1,355</b>	<b>1,450</b>
Credited to statement of comprehensive income	<b>(81)</b>	<b>(95)</b>
At 30 June 2021	<b>1,274</b>	<b>1,355</b>

### 21 PROVISION FOR LIABILITIES

#### Group:

	<b>2021</b>		
	<b>Onerous contract</b>	<b>Property works</b>	<b>Other taxation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2020	-	<b>1,195</b>	-
Utilisation of provision	-	-	-
Release of provision	-	-	-
New provision	-	-	-
At 30 June 2021	-	<b>1,195</b>	-

	<b>2020</b>		
	<b>Onerous contract</b>	<b>Property works</b>	<b>Other taxation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 July 2019	3,466	1,195	435
Utilisation of provision	(3,466)	-	-
Release of provision	-	-	(435)
New provision	-	-	-
At 31 July 2020	-	<b>1,195</b>	-

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

21 PROVISION FOR LIABILITIES (CONTINUED)

Company:

			2021
	Onerous contract £'000	Other taxation £'000	Total £'000
At 1 August 2020	-	-	-
Utilisation of provision	-	-	-
Release of provision	-	-	-
New provision	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 June 2021	-	-	-
	<hr/>	<hr/>	<hr/>
			2020
	Onerous contract £'000	Other taxation £'000	Total £'000
At 1 July 2019	-	-	-
Utilisation of provision	-	-	-
Release of provision	-	-	-
New provision	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2020	-	-	-
	<hr/>	<hr/>	<hr/>

The provision for liabilities includes £1,195,000 in respect of property works which the Group is contractually obliged to complete. The amount represents the Directors' best current estimate of the cost of carrying out this work having taken professional advice.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

**22 FINANCIAL INSTRUMENTS**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Financial assets</b>				
Basic financial assets that are measured at amortised cost	<b>77,487</b>	52,447	<b>77,160</b>	52,091
<b>Financial liabilities</b>				
Basic financial liabilities that are measured at amortised cost	<b>(48,455)</b>	(46,081)	<b>(48,296)</b>	(45,961)
	<b>29,032</b>	6,366	<b>28,864</b>	6,130

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

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

Impairment losses on financial assets related to credit losses on trade debtors totalling £nil in the period (2020: £nil).

**23 CALLED UP SHARE CAPITAL**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Allotted, called up and fully paid		
Equity interest		
616,913 (2020: 616,913) ordinary shares of £1 each	<b>617</b>	617
Interest in shares classified as financial liabilities		
9,675 (2020: 9,675) 5.25% 'A' preference shares of £1 each	<b>10</b>	10
14,186 (2020: 14,186) 4.5% 'B' preference shares of £1 each	<b>14</b>	14
Total interest in shares classified as financial liabilities	<b>24</b>	24

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

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**23 CALLED UP SHARE CAPITAL (CONTINUED)**

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.

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

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

**24 RESERVES**

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

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

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

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

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

**25 CONTINGENT LIABILITIES**

Additional payments amounting to a maximum of £54,075,000 (2020: £36,624,868) will become payable if certain conditions in transfer and player contracts at 30 June 2021 are fulfilled. Additional signing on fees up to a maximum of £6,398,000 (2020: £7,928,000) will become payable to players subject to the terms and conditions of their contracts being fulfilled.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

**26 PENSION SCHEMES**

**Money purchase pension scheme**

During the period the Group participated in a money purchase scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the Group. Contributions to this scheme during the period ended 30 June 2021 amounted to £202,000 (2020: £363,000). At 30 June 2021 there were outstanding contributions of £40,000 (2020: £41,000).

**Employees' personal pension schemes**

During the period the Group made contributions to certain employees' personal pension schemes. Contributions to these schemes during the period ended 30 June 2021 amounted to £Nil (2020: £31,000). At 30 June 2021 there were outstanding contributions of £Nil (2020: £3,000).

**Football League Final Salary Scheme**

The Football League Final Salary scheme is administered nationally and is now closed to new members. The latest actuarial valuation, which was undertaken in 2017, indicated that the scheme remains in deficit and, in accordance with the scheme rules, Norwich City Football Club PLC, along with the other football clubs, are required to make payments to the pension scheme to reduce the deficit. Interest is charged by the pension scheme on the outstanding amount at approximately 6% per annum and interest of £42,000 (2020: £59,000) was payable during the period ended 30 June 2021. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately six (2020: six) years to November 2025. The total amount payable to the pension scheme at 30 June 2021, including accumulated interest, was £498,000 (2020: £591,000) and is included in accruals and deferred income.

**27 OPERATING LEASE COMMITMENTS**

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

	2021		2020	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date:				
Within one year	110	366	110	144
Between one and two years	110	206	110	24
Between two and five years	330	238	330	9
	<u>550</u>	<u>810</u>	<u>550</u>	<u>177</u>

**28 RELATED PARTY TRANSACTIONS**

Key management personnel (including Directors') compensation is as follows:	<b>2021</b>	2020
	<b>£'000</b>	£'000
Aggregate emoluments	<b>3,144</b>	3,798
Social security costs	<b>430</b>	520
Pension scheme	<b>11</b>	141

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

**28 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Loans from Directors and their connected companies**

At 30 June 2021, the following balances were outstanding on loans advanced to the Group and Company:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Ms D A Smith and E M S Wynn Jones	250	250

**Transactions with Directors and their companies**

	<b>Group and Company Sales</b>		<b>Group and Company Purchases</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ms D A Smith and E M S Wynn Jones (joint)	2	5	-	-
NC Internet Limited (Ms D A Smith and E M S Wynn Jones)	-	-	-	45
M M Foulger	1	1	-	-
Banham Poultry Limited (M M Foulger)	-	-	-	-

At 30 June 2021 and 31 July 2020 the following balances (inclusive of value added tax) were outstanding:

	<b>Group and Company Sales ledger</b>		<b>Group and Company Purchase ledger</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ms D A Smith and E M S Wynn Jones (joint)	-	-	-	-
NC Internet Limited (Ms D A Smith and E M S Wynn Jones)	-	-	-	9
M M Foulger	-	-	-	-

In addition, interest accruing to Directors in connection with the Directors' investments in the Canaries Bond totalled £nil for the period ended 30 June 2021 (2020: £nil).

**29 CONTROL**

At 30 June 2021 Ms D A Smith and her husband and co-Director, E M S Wynn Jones together owned 53% (2020: 53%) of the issued capital of the Company. The Board has therefore concluded that ultimate control of the Company vests in these related parties.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 June 2021

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**30 POST BALANCE SHEET EVENTS**

**Transfer of players' registrations**

Subsequent to the period end the Club have acquired the registrations of players D Giannoulis, B Gibson, A Gunn, P Lees-Melou, J Sargent, C Tzolis, along with B Gilmour, O Kabak, B Williams and M Normann on season-long loans. The Club are committed to payments of £52.7 million in respect of these transactions with further payments due of £22.7 million dependent on Club and/or player performance.