Company Registration No 2487393

W. W. (1990) LIMITED

Report and Financial Statements

For the year ended 31 May 2012

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S P Morgan OBE (Chairman)
V W Fairclough
J D Moxey

SECRETARY

R I Skirrow

REGISTERED OFFICE

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

BANKERS

Barclays Bank PLC
Birmingham

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2012

ACTIVITIES

The principal activity of the Group during the year was the provision of football and other related activities

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Company remains the parent company of the wholly owned subsidiaries Wolverhampton Wanderers FC (1986) Limited and Wolverhampton Wanderers Properties Limited (together, 'the group') The directors consider the financial results for the year to be satisfactory However, the relegation of the Football Club from the F A Premier League at the end of the 2011/12 season was a huge disappointment which will, inevitably, have a negative financial impact on the 2012/13 season

Turnover for the full year was down to £60 6m (2010/11 - £64 4m) with the decrease being, in part, to lower Premier League merit receipts and reduced ticketing income, with league attendances averaging 25,670 for the season compared to 27,695 in the previous season Attendances were slightly affected by a lower capacity due to the redevelopment of the new Stan Cullis (North) stand Cup receipts were also lower compared to the previous year

Operating costs in total were on a par with last year although the total player payroll cost was at a slightly lower level due, in part, to reduced bonus payments in an unsuccessful season Amortisation on player trading rose marginally but was more than offset by an increased profit on player disposals resulting in a net reduction in player trading costs of £0 2m with a loss of £7 7m (2010/11 - £7 9m loss)

The Football Club's primary aim is to regain Premier League status as quickly as possible Player trading in the summer 2012 transfer window saw considerable sums raised from the sale of three players in particular A significant portion of these receipts was allocated to the signing of seven new players It is hoped that, with this investment in the revised playing squad and a new football management team, the Club will be capable of challenging for promotion in the current season

The directors remain committed to the medium to long term redevelopment of Molineux Stadium and its surrounding areas The phased redevelopment of the Stadium started at the end of the 2010/11 season with the replacement of the old Stan Cullis stand with a new two tier stand with almost 8,000 seats containing corporate hospitality facilities, megastore, museum, supporters' bar, a family information centre and improved disabled facilities

The new stand was officially open for the start of the 2012/13 season It is expected that the revenue generated from the enhanced facilities and increased capacity will be of long term benefit to the group However, in the light of the Club's relegation, it is unlikely that the additional proposed redevelopment of the Steve Bull (East) stand will take place before the end of the season 2013/14

When the stadium redevelopment project is complete it is expected to have enhanced the asset value of the business, increased capacity, brought the pitch closer to the stands to improve the match day atmosphere and provided first class amenities for supporters

The expansion and improvement of the Club's training ground as part of the major investment project at Compton Park has commenced with the completion of a new astro turf facility in the summer of 2012 This will be of significant benefit, in particular, to the Club's Academy which was recently accredited with the highest award possible, a three year category 1 status, under the Premier League's Elite Player Performance Plan (EPPP) This is part of a recently restructured youth development system designed to create world class academies within English football The summer of 2014 should see work commence on the construction of the Club's new full size indoor arena at Compton Park, this being the final phase of the significant investment programme to help ensure the Academy remains fit for purpose for the foreseeable future

RESULTS AND DIVIDENDS

The directors are unable to recommend payment of a dividend (2011 – same) The retained profit for the year of £2,163,000 (2011 – £2,236,000) has been transferred to reserves

DIRECTORS' REPORT

FINANCIAL RISK MANAGEMENT

The group's principal risk relates to the league in which the football club plays and financial impact of this The directors have considered the financial impact of relegation in the 2011/12 season and are be able to implement the necessary measures to ensure that the club can continue to operate successfully

The directors have reviewed the financial risk management objectives and policies of the group and do not consider it necessary to use hedging instruments or enter into any speculative financial instruments

There is a comprehensive system in place for reporting financial information to the Board including the preparation of budgets for each business activity, monthly accounts comparisons to budget and the prior year and regular profit and loss projections and cash flow forecasts

Price risk

This is largely governed by the division the football club is competing in and prices are set accordingly The policy adopted recognises the inherent value of the fan base and core supporters By monitoring feedback and industry pricing the club looks to offer the best value for money

Liquidity and cash flow risk

A large part of the seasonal business is paid for ahead of fixtures taking place, through the Early Bird Scheme on both ticketing and corporate business Major fluctuations in cash flows during the season will only arise through player transactions during the transfer window periods and match to match business, primarily dependent upon attendance levels/team performance

As most of the business is secured in advance of the start of the season budgets can be prepared within defined key business parameters and hence working capital can be assessed and managed accordingly

The group continues to demonstrate effective working capital management with sufficient headroom to accommodate any seasonal fluctuations In addition, the group continues to operate with minimal external borrowings At 31 May 2012, liquid cash resources amounted to £12 9 million

Cash flows are prepared and managed on a monthly basis

Credit risk

As most of the business is either paid for, or secured, in advance of the season (if seasonal) or ahead of each match, (if non-seasonal) there is very little exposure to credit risk The timing of player transfer receipts is governed by stringent Premier and Football League rules as are ticket sales to away clubs

GOING CONCERN

The directors have concluded after making enquiries, that they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 1 of the financial statements

POST BALANCE SHEET EVENTS

Details of post-year end trading are set out in note 30 to the financial statements

DIRECTORS' REPORT (continued)

DIRECTORS

The directors who served during the year and subsequently are listed below

S P Morgan OBE (Chairman)
V W Fairclough
J D Moxey

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors and these provisions remain in force at the date of this report

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment within the company continues and that appropriate training is arranged It is the policy of the group that the training, career development and promotion of disabled persons, should, as far as possible, be identical to that of other employees

EMPLOYEE CONSULATION

The group considers that employee involvement is essential to the continuing development and success of its business and uses a variety of methods to inform, consult and involve its employees This is achieved through formal and informal meetings

CHARITABLE DONATIONS

During the year the company made charitable donations of £25,995 (2011 - £5,206) with the main beneficiary being Wolves Community Trust

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

R I Skirrow

Secretary

29 November 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W.W. (1990) LIMITED

We have audited the financial statements of W W (1990) Limited for the year ended 31 May 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 30 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Patrick Loftus

Patrick Loftus BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, UK
29 November 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 May 2012

	Note	Operations excluding player trading £'000	Player amortisation and trading £'000	2012 £'000	2011 £'000
TURNOVER	1,3	60,646	-	60,646	64,401
Other operating income	5	118	-	118	125
Operating expenses	6	(51,323)	(9,726)	(61,049)	(63,912)
OPERATING PROFIT/(LOSS)	7	9,441	(9,726)	(285)	614
Profit on disposal of players' registrations		-	2,076	2,076	1,324
PROFIT/ (LOSS) BEFORE FINANCING		9,441	(7,650)	1,791	1,938
Net finance income	8			372	298
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				2,163	2,236
Tax on profit on ordinary activities	9			-	-
PROFIT FOR THE FINANCIAL YEAR	20,22			2,163	2,236

All the above results derive from continuing operations

There are no recognised gains and losses other than those included in the results above Accordingly, no separate consolidated statement of total recognised gains and losses has been prepared

CONSOLIDATED BALANCE SHEET
As at 31 May 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Intangible assets	10	22,998	22,117
Tangible assets	11	48,963	37,724
		71,961	59,841
CURRENT ASSETS			
Stocks	13	305	404
Debtors	14	8,370	5,718
Cash at bank and in hand		12,869	25,549
		21,544	31,671
CREDITORS amounts falling due within one year	15	(11,297)	(11,157)
NET CURRENT ASSETS		10,247	20,514
TOTAL ASSETS LESS CURRENT LIABILITIES		82,208	80,355
CREDITORS: amounts falling due after more than one year	16	(977)	(616)
PROVISION FOR LIABILITIES	17	(747)	(242)
DEFERRED INCOME	18	(5,613)	(6,789)
NET ASSETS		74,871	72,708
CAPITAL AND RESERVES			
Called up share capital	19	78,000	78,000
Capital contribution reserve	20	100	100
Revaluation reserve	20	11,472	14,427
Profit and loss account	20	(14,701)	(19,819)
SHAREHOLDERS' FUNDS	22	74,871	72,708

These financial statements of W W (1990) Limited, registered number 2487393, were approved by the Board of Directors and authorised for issue on 29 November 2012

Signed on behalf of the Board of Directors

JD Moxey

Director

COMPANY BALANCE SHEET
As at 31 May 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	12	14,660	14,660
CURRENT ASSETS			
Debtors		-	1
Cash at bank and in hand		1	1
		1	2
CREDITORS: amounts falling due within one year	15	(19)	(17)
NET CURRENT LIABILITIES		(18)	(15)
NET ASSETS		14,642	14,645
CAPITAL AND RESERVES			
Called up share capital	19	78,000	78,000
Capital contribution	20	100	100
Profit and loss account	20	(63,458)	(63,455)
SHAREHOLDERS' FUNDS		14,642	14,645

These financial statements of W W (1990) Limited, registered number 2487393, were approved by the Board of Directors and authorised for issue on 29 November 2012

Signed on behalf of the Board of Directors

J D Moxey

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 2012

	Note	Year ended 31 May 2012 £'000	Year ended 31 May 2011 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	10,706	17,590
Returns on investments and servicing of finance	24	372	298
Capital expenditure and financial investment	24	(23,758)	(17,835)
CASH INFLOW BEFORE FINANCING		(12,680)	53
Financing	24	-	(294)
DECREASE IN CASH IN THE YEAR	26	(12,680)	(241)

The accompanying notes 23 to 26 are an integral part of this cash flow statement

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding year

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report above This includes an overview of the group's financial position, its cash flows, liquidity position and borrowing facilities In addition there is a description of the group's policies and procedures to manage their principal risks and uncertainties

In ensuring that the group has sufficient liquid resources to meet its liabilities as they fall due, the directors have reviewed in detail the business' cash flow projections After taking account of reasonably possible downturn in results/trade of performance, these indicate that the group has sufficient available resources to operate for the foreseeable future The directors consider that this is largely attributed to the level of cash resources available to them

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they adopt the going concern basis in preparing the annual report and accounts

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of the stadium redevelopment and training facilities, and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 May each year

Turnover

Turnover represents match receipts and other income associated with the principal activity of running a professional football club and excludes value added tax and as permitted by section 408 of the Companies Act 2009, a separate profit and loss account for the rental income parent company has not been presented The loss for the company for the period was £3,000 Turnover is recognised when the provision of each service is complete All turnover is derived from activities in the UK The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned Merit awards are accounted for only when known at the end of the football season

Deferred income

Revenues received in advance are credited to deferred income and released to the profit and loss account over the period to which they relate

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated market residual value of each asset, on a straight line basis over is expected useful life as below

Land	Not depreciated
Stadium development	2%
Training facilities	2%
Car Park	2%
Plant and equipment	10%
Motor vehicles	20%
Fixtures and fittings	12 5%

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

The group has entered into a policy of regular revaluation of the stadium development and training facilities with the surplus or deficit on book value being transferred to the revaluation reserve except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same asset, or the reversal of such a deficit, is charged (or credited) to the profit and loss account A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves On the disposal or recognition of a provision for impairment of any revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

No depreciation is charged on capital work in progress until the assets are available for use On completion, such assets are transferred to the appropriate category of tangible fixed assets

In accordance with management's on-going project to demolish and replace a proportion of the stadium, revision has been made to the expected useful life of the East stand to be depreciated until 2014 respectively resulting in additional depreciation being recognised in the current and prior year financial statements

Intangible fixed assets and goodwill

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets These costs are fully amortised, in equal annual instalments, over the period of the respective players' contracts Provision for impairment is made when it becomes apparent that any diminution in value is permanent

Signing-on fees

Signing-on fees payable to players are charged, as part of operating expenses, to the profit and loss account over the period of the player's contract Where a player's registration is transferred, any signing on fees payable in respect of future periods are charged against profit or loss on disposal of players' registrations

Contingent appearance fees

Where the directors consider the likelihood of a player meeting future performance and appearance criteria laid down in the transfer agreement of that player to be probable, provision for this cost is made (see note 17) If the likelihood of meeting these criteria is not probable no provision is made

Pensions

Defined contribution arrangements are made to eligible employees of the company The pension cost charged in the year represents contributions payable by the company Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Leases and hire purchase contracts

Rentals paid under operating leases are charged on a straight line basis, even if the payments are not made on such as basis

Investments

Investments held as fixed assets are stated at cost less provision for any impairment

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

1. ACCOUNTING POLICIES (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value Cost is computed on a first in first out basis Net realisable value is based on estimated selling price less the estimated cost of disposal Provision is made for obsolete, slow-moving or defective items where appropriate

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements Neither is a deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Cash flow

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with FRS 1 (revised) 'Cash Flow Statements' on the basis that a parent undertaking has prepared a consolidated cash flow statement

Related party transactions

The company has taken advantage of the exemption in paragraph 3(c) of FRS No 8 'Related Party Disclosures' and has not disclosed details of transactions with fellow group undertakings whereby 100% of whose voting rights are controlled within the W W (1990) Limited group of companies

Grants

Grants relating to tangible fixed assets are treated as deferred income (see note 18) and released to the profit and loss account over the expected lives of the assets concerned

Borrowing and finance costs

Financial liabilities are classified according to the substance of the contractual arrangements entered into Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

2. COMPANY ONLY FINANCIAL STATEMENTS

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's loss (see note 20) for the financial year amounted to £3,000 (2011 – loss of £23,226,000) The company's loss for the prior year was principally attributed to movements in provisions which are made against intercompany receivables and hence have no impact upon the group accounts

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

3 SEGMENT INFORMATION

Turnover

	2012 £'000	2011 £'000
Gate receipts	8,044	9,784
Sponsorship and advertising	5,432	5,138
Broadcasting rights	6,214	6,126
Commercial	3,917	4,525
League distributions	36,011	37,628
Other turnover	1,028	1,200
	60,646	64,401

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £'000	2011 £'000
Directors' emoluments		
Remuneration	1,077	1,048
Pension contributions	109	104
	1,186	1,152
Highest paid director		
Remuneration	1,077	1,048
Pension contributions	109	104
	1,186	1,152

	2012 No.	2011 No
Average number of persons employed (including directors)		
Playing staff	62	62
Non playing staff	199	189
	261	251

	2012 £'000	2011 £'000
Staff costs during the year (including directors)		
Wages and salaries	33,837	33,550
Social security costs	4,347	4,218
Pension costs	155	147
	38,339	37,915

The number of directors who were members of a defined contribution scheme in the year was one (2011 – one)

The above information regarding staff are those for the W W (1990) Limited group, as there are no employees of W W (1990) Limited apart from the directors Directors' remuneration is paid by Wolverhampton Wanderers FC (1986) Limited It is not practicable to allocate the directors' remuneration between their services as executives of W W (1990) Limited and their services as directors of Wolverhampton Wanderers FC (1986) Limited and Wolverhampton Wanderers Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

5. OTHER OPERATING INCOME

	2012 £'000	2011 £'000
Rent receivable	118	125

6 OPERATING EXPENSES

Operating expenses comprise.	2012 £'000	2011 £'000
Depreciation of owned assets	4,209	7,837
Depreciation of leased assets	10	10
Amortisation of players' registrations	9,726	9,291
Amortisation of grants (note 18)	(117)	(493)
	13,828	16,645
Staff costs (note 4)	38,339	37,915
Other operating charges	8,882	9,352
Operating expenses	61,049	63,912

7. OPERATING PROFIT/ (LOSS)

Operating profit/(loss) is stated after charging/(crediting):	2012 £'000	2011 £'000
Auditor's remuneration		
Audit fees – audit of the company's accounts	2	2
Audit fees – audit of the company's subsidiaries pursuant to legislation	31	31
Depreciation of owned assets	4,209	7,837
Depreciation of leased assets	10	10
Amortisation of players' registrations	9,726	9,291
Amortisation of grants (note 18)	(117)	(493)
Operating leases		
Hire of plant and machinery	23	18
Hire of assets other than plant and machinery	119	123

No fees were paid to the auditor in respect of non-audit services

8. NET FINANCE INCOME

	2012 £'000	2011 £'000
Bank interest receivable	372	311
Interest payable and similar charges		
Mortgage interest	-	(13)
Net finance income	372	298

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The group has no liability for taxation due to the availability of tax losses brought forward The group has tax losses remaining to carry forward of £2 1 million (2011 £8 5 million)

The potential deferred tax asset of £1 4 million (2011 £2 9 million), largely in respect of accelerated capital allowances, has not been recognised as it is not expected that there will be sufficient taxable profits of the right classification available in the foreseeable future against which the losses may be offset

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK of 25 67% (2011 27 67%)

The differences are explained below	2012 £'000	2011 £'000
Profit on ordinary activities before tax	2,163	2,236
Tax on profit on ordinary activities at standard rate of 25 67% (2011 – 27 67%)	555	619
Factors affecting charge:		
Expenses not deductible for tax purposes	942	2,045
Non-taxable income	(28)	(138)
Capital allowances less than depreciation	136	99
Other short term differences	-	9
Increase of tax losses	-	52
Utilisation of tax losses	(1,604)	(2,686)
	-	-

10 INTANGIBLE FIXED ASSETS

Group	Players' registrations £'000
Cost	
At 1 June 2011	44,002
Additions	11,206
Disposals	(6,205)
At 31 May 2012	49,003
Amortisation	
At 1 June 2010	21,885
Charge for the year	9,726
Disposals	(5,606)
At 31 May 2012	26,005
Net book value	
At 31 May 2012	22,998
At 31 May 2011	22,117

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

11. TANGIBLE FIXED ASSETS

Group	Stadium development £'000	Training facilities £'000	Plant, equipment and motor vehicles £'000	Car park £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 June 2011	44,109	5,596	3,738	711	3,787	57,941
Additions	13,387	828	998	52	193	15,458
At 31 May 2012	57,496	6,424	4,736	763	3,980	73,399
Accumulated depreciation						
At 1 June 2011	14,803	327	2,320	95	2,672	20,217
Charge for the year	3,426	117	366	17	293	4,219
At 31 May 2012	18,229	444	2,686	112	2,965	24,436
Net book value						
At 31 May 2012	39,267	5,980	2,050	651	1,015	48,963
At 31 May 2011	29,306	5,269	1,418	616	1,115	37,724

Included within training facilities are long term leases with a net book value of £372,500 (2011 £382,500) The depreciation on these leased assets was £10,000 (2011 £10,000)

The stadium development and Aldersley and Compton training facilities were valued at £44 62 million, on a depreciated replacement cost basis, by Eddisons Commercials Limited, Chartered Surveyors, on 31 May 2008 The directors have reviewed the valuation of these assets at the balance sheet date and consider that given the current stadium redevelopment and state of the assets, the valuation has not been significantly impacted since the last external valuation date At 31 May 2012 the net book value determined according to the historical cost convention of these assets would be £31,925,180 (cost of £39,625,227 less accumulated depreciation of £7,700,047) All other tangible fixed assets are stated at historical cost

These valuations less depreciation charged to 31 May 2012 have been incorporated in these accounts as the directors are of the opinion that there was no material change to the value of the assets since this valuation

In accordance with management's decision to demolish and replace a proportion of the stadium, revision has been made to the expected useful life of the East stand, which is now calculated to May 2014 This has resulted in additional depreciation of £2 4m being recognised in the current year financial statements

12. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiaries £'000
Cost and net book value	
At 1 June 2011 and 31 May 2012	14,660

The company wholly owns the following subsidiaries, both of which are incorporated in England

Subsidiary undertakings	Activity
Wolverhampton Wanderers F C (1986) Limited	Football club
Wolverhampton Wanderers Properties Limited	Property company

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

13. STOCKS

	Group 2012 £'000	Group 2011 £'000
Goods held for resale	305	404

There is no material difference between the balance sheet value of stocks and their replacement cost

14. DEBTORS

	Group 2012 £'000	Group 2011 £'000	Company 2012 £'000	Company 2011 £'000
Trade debtors	788	659	-	-
Other debtors	2,267	988	1	1
Prepayments and accrued income	5,315	4,071	-	-
All amounts are due within one year	8,370	5,718	1	1

15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2012 £'000	Group 2011 £'000	Company 2012 £'000	Company 2011 £'000
Trade creditors	3,821	1,862	-	-
Other taxation and social security	2,983	3,700	-	-
Other creditors	4,493	5,595	19	17
	11,297	11,157	19	17

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2012 £'000	Group 2011 £'000	Company 2012 £'000	Company 2011 £'000
Other creditors	977	616	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

17. PROVISION FOR LIABILITIES

Group

Contingent appearance fees (see note 1)	£'000
Balance at 1 June 2011	242
Capitalised as players' registrations	1,109
Utilised in the year	(604)
Balance at 31 May 2012	747

The company had no provisions for liabilities in either year

In addition the group may in future be required to pay contingent sums, dependent on the occurrence of future first team and international appearances and on field playing success of £1,021,000 (2011 - £996,000)

At the year end, amounts due in respect of compensation fees were £50,000 (2011 - £19,721) and are included within other creditors

At the year end, amounts payable in respect of loan fees were £125,000 (2011 - £nil) Amounts receivable in respect of loan fees were £44,000 (2011 - £nil)

18. DEFERRED INCOME

Group	Advance revenue £'000	Deferred grant income £'000	Total £'000
At 1 June 2011	5,557	1,232	6,789
Amounts received in the year	4,491	-	4,491
Transfer to profit and loss account	(5,550)	(117)	(5,667)
At 31 May 2012	4,498	1,115	5,613

The company had no deferred income in either year

19. CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Called up, allotted and fully paid		
78,000,000 ordinary shares of £1 each	78,000	78,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

20 RESERVES

Group	Capital contribution reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2011	100	14,427	(19,819)	(5,292)
Profit for the year	-	-	2,163	2,163
Transfer between reserves	-	(2,955)	2,955	-
At 31 May 2012	100	11,472	(14,701)	(3,129)

Company	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2011	100	(63,455)	(63,355)
Loss for the year	-	(3)	(3)
At 31 May 2012	100	(63,458)	(63,358)

21. CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	2,163	2,236
Difference between the historical cost depreciation charge and the actual depreciation charge for the year	2,955	6,635
Historical cost profit on ordinary activities before taxation being retained historical cost profit for the year	5,118	8,871

22 RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Opening shareholders' funds	72,708	70,472
Profit for the financial year	2,163	2,236
Closing shareholders' funds	74,871	72,708

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

23 RECONCILIATION OF OPERATING PROFIT/ (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £'000	2011 £'000
Operating (loss)/profit	(285)	614
Depreciation	4,219	7,847
Amortisation of players registration	9,726	9,291
Amortisation of deferred grant income	(117)	(493)
Decrease/(increase) in stock	99	(181)
Increase in debtors	(2,324)	(410)
(Decrease)/increase in creditors	(612)	922
Net cash inflow from operating activities	10,706	17,590

24. ANALYSIS OF CASH FLOWS

	2012 £'000	2011 £'000
Returns on investments and servicing of finance		
Interest received and similar income	372	311
Interest paid	-	(13)
Net cash inflow	372	298

	2012 £'000	2011 £'000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(15,458)	(2,972)
Purchase of players	(10,647)	(21,202)
Sale of players	2,347	6,339
Net cash outflow	(23,758)	(17,835)

Financing	2012 £'000	2011 £'000
Repayment of loans	-	(291)
Capital element of finance lease rental payments	-	(3)
Net cash outflow	-	(294)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

25. ANALYSIS OF NET FUNDS

	At 1 June 2011 £'000	Cash flow £'000	At 31 May 2012 £'000
Cash at bank and in hand	25,549	(12,680)	12,869
Net funds	25,549	(12,680)	12,869

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £'000	2011 £'000
Decrease in cash	(12,680)	(241)
Cash inflow from decrease in debt and lease financing	-	294
Change in net funds resulting from cash flows	(12,680)	53
Net funds at beginning of year	25,549	25,496
Net funds at end of year	12,869	25,549

27. FINANCIAL COMMITMENTS

	Group 2012 £'000	Group 2011 £'000	Company 2012 £'000	Company 2011 £'000
Capital commitments				
Contracted for but not provided	15,165	16,956	-	-

Most of the committed capital expenditure can be attributed to the redevelopment of the North Stand, in the form of contractor payments and the Compton project

Operating lease commitments
The group has no land and building operating leases

Annual commitments under non cancellable other operating leases are as follows

	Group 2012 £'000	Group 2011 £'000
Leases which expire		
Within one year	-	13
Within one to two years	-	-
Within two to five years	27	7
	27	20

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2012

28. PENSIONS

Certain staff of the group are members of either the Football League Limited Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme As the company is one of a number of participating employers in the FLLPLAS, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed in the profit and loss account as they become payable The assets of the scheme are held separately from those of the group, being invested with insurance companies Under the provisions of FRS17 the scheme is treated as a defined benefit multi employer scheme

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no disclosures are made under the provisions of FRS17 At 31 March 2010, an MFR deficit was identified in the scheme, of which £89,280 was allocated to Wolverhampton Wanderers resulting in a continuation of contributions advised by the Actuary The total pension cost for the year was £155,180 (2011 - £147,172)

29. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is Bridgemere Investments Limited, a company incorporated in Guernsey The company is a 75% undertaking of Bridgemere UK plc, a company incorporated in England and Wales

Bridgemere UK plc is the largest group of which the company is a member and for which group financial statements are prepared Copies of the financial statements can be obtained from Companies House Bridgemere Investments Limited is controlled by the Trustees of the Trinity Trust

30. POST BALANCE SHEET EVENTS

Since the year end, the company has sold players' registrations recorded as intangible assets with a value at the balance sheet date of £5,722,229 (2011 - £957,534) resulting in a profit on sale of £15,964,387 (2011 – profit of £1,856,713) In addition, the company has acquired players' registrations with a value of £8,707,521 (2011 - £11,378,461) since the balance sheet date