Company Registration No. 2487393

W. W. (1990) LIMITED

Report and Financial Statements

For the year ended 31 May 2011

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

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 2011

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 The directors consider the financial results of their second season back in the Premier League to be satisfactory This performance further strengthens an already strong Balance Sheet which shows the group to be in a very healthy financial position Turnover for the year increased to £64 4m (2009/10 - £60 6m), reflecting the benefit of the new 3 year Premier League television agreement and other central rights deals and sponsorships Although ticket revenue decreased slightly, due to marginally lower average League match attendance (27,695 compared to the prior year 28,366), commercial areas, on the whole, produced a growth in revenues, apart from Merchandising, which was affected by the general, economic downturn in the retail sector Operating costs were higher than the previous year's primarily because of higher player payroll costs The higher amortisation charge on player trading as well as a reduced profit on player disposals resulted in an increased net loss on player trading of £7 9m (2009/10 loss of £5 1m), compared to the prior year

The directors continue to remain totally committed to a strategically important medium to long term redevelopment project for the Molineux Stadium and its surrounding areas As part of this project, Peal House, a recently purchased, nearby property, was demolished to provide additional car parking for the 2011/12 Season The plan is that the Stadium will be rebuilt in phases starting at the end of the 2010/11 season with the replacement of the old Stan Cullis (North Stand) with a new two tier stand with 7,798 seats, new corporate facilities and a megastore, museum, family information centre and improved disabled facilities The new stand is scheduled to open for the start of the 2012/13 season but the asset will be capitalised as constructed It is expected that the revenue generated from the enhanced facilities and capacity will be in excess of that generated by the existing stand In line with the recent press announcement, the proposed redevelopment of the Steve Bull (East Stand) due to start at the end of the 2011/12 season, will be postponed until further notice However, as a result of the expected shortening of the existing stand's economic life, an additional significant charge has been provided for in the Profit and Loss statement to reflect the necessary, accelerated depreciation When the redevelopment project of the Stadium is finished it will enhance the asset value of the business, increase capacity, bring the pitch closer to the stands to improve the match day atmosphere and provide first class amenities for supporters The Club have also become a key partner in a proposed £50m investment into Compton Park, the area around the Club's training ground In addition to the local impact, the scheme would produce education, sport and community benefits throughout Wolverhampton as well as creating over 150 direct construction jobs being created and an additional 250 indirect jobs in the supply chain

Wolverhampton City Council's Planning Committee has recently granted planning approval for the development which will, in part, enable the Club to create a greatly enhanced Football Academy With the imminent introduction of a newly restructured Premier League Academy system, the Club needs to make a significant investment in facilities to ensure that it is at the forefront of these developments and able to give talented local youngsters the best possible chance to progress within an outstanding facility The capital cost of the club's contribution to the total scheme is estimated to be £7 6m over a 4 year period commencing in 2011/12 financial year The company's primary aim is for WWFC (1986) Ltd to retain its Premier League status whilst Molineux stadium continues to be redeveloped and improved within Wolverhampton Wanderers Properties Ltd

RESULTS AND DIVIDENDS

No dividend will be paid (2010 – same) The retained profit for the year of £2,236,000 (2010 – profit of £9,131,000) has been transferred to (2010 – to) reserves

FINANCIAL RISK MANAGEMENT

The group's principal risk is that of the football club being relegated from the Premier League and the financial impact of this occurring The directors have considered the financial impact of relegation and would be able to implement the necessary measures to ensure that the club can continue to operate successfully

DIRECTORS' REPORT

FINANCIAL RISK MANAGEMENT (continued)

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 2011, liquid cash resources amounted to £25 5 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 statement of accounting policies in note 1 of the financial statements

POST BALANCE SHEET EVENTS

Details of post-year end trading are set out in note 31 to the financial statements

DIRECTORS' REPORT (continued)

DIRECTORS

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

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

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 £5,206 (2010 - £12,799) 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

28th February 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 2011 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 31 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 2011 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
28 February 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 May 2011

	Note	Operations excluding player trading £'000	Player amortisation and trading £'000	2011 £'000	2010 £'000
TURNOVER	1,3	64,401	-	64,401	60,644
		64,401	-	64,401	60,644
Other operating income	5	125	-	125	125
Operating expenses	6	(54,621)	(9,291)	(63,912)	(56,251)
OPERATING PROFIT/(LOSS)	7	9,905	(9,291)	614	4,518
Profit on disposal of players' registrations		-	1,324	1,324	4,370
PROFIT/ (LOSS) BEFORE FINANCE CHARGES		9,905	(7,967)	1,938	8,888
Net finance income	8			298	243
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				2,236	9,131
Tax on profit on ordinary activities	9			-	-
PROFIT FOR THE FINANCIAL YEAR	21,23			2,236	9,131

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 2011

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Intangible assets	10	22,117	17,238
Tangible assets	11	37,724	42,597
		59,841	59,835
CURRENT ASSETS			
Stocks	13	404	224
Debtors	14	5,718	7,276
Cash at bank and in hand		25,549	25,790
		31,671	33,290
CREDITORS: amounts falling due within one year	15	(11,157)	(13,292)
NET CURRENT ASSETS		20,514	19,998
TOTAL ASSETS LESS CURRENT LIABILITIES		80,355	79,833
CREDITORS: amounts falling due after more than one year	16	(616)	(779)
PROVISION FOR LIABILITIES	17	(242)	(494)
DEFERRED INCOME	18	(6,789)	(8,088)
NET ASSETS		72,708	70,472
CAPITAL AND RESERVES			
Called up share capital	20	78,000	78,000
Capital contribution reserve	21	100	100
Revaluation reserve	21	14,427	21,062
Profit and loss account	21	(19,819)	(28,690)
SHAREHOLDERS' FUNDS	23	72,708	70,472

These financial statements of W W (1990) Limited, registered number 2487393, were approved by the Board of Directors and authorised for issue on 28th February 2012

Signed on behalf of the Board of Directors

JD Moxey

Director

COMPANY BALANCE SHEET
As at 31 May 2011

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Investments	12	14,660	14,660
CURRENT ASSETS			
Debtors		1	108
Cash at bank and in hand		1	23,121
		2	23,229
CREDITORS: amounts falling due within one year	15	(17)	(18)
NET CURRENT (LIABILITIES)/ASSETS		(15)	23,211
NET ASSETS		14,645	37,871
CAPITAL AND RESERVES			
Called up share capital	20	78,000	78,000
Capital contribution	21	100	100
Profit and loss account	21	(63,455)	(40,229)
SHAREHOLDERS' FUNDS		14,645	37,871

These financial statements of W W (1990) Limited, registered number 2487393, were approved by the Board of Directors and authorised for issue on 28th February 2012

Signed on behalf of the Board of Directors

J D Moxey

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 2011

	Note	Year ended 31 May 2011 £'000	Year ended 31 May 2010 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	17,590	14,146
Returns on investments and servicing of finance	25	298	243
Capital expenditure and financial investment	25	(17,835)	(4,991)
CASH INFLOW BEFORE FINANCING		53	9,398
Financing	25	(294)	(45)
(DECREASE)/INCREASE IN CASH IN THE YEAR	26	(241)	9,353

The accompanying notes 24 to 27 are an integral part of this cash flow statement

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2011

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 changes in on-pitch 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 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%
Short life equipment	20%
Motor vehicles	20%
Fixtures and fittings	12 5%

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

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 lives of the North and East stands to 2 and 3 5 years 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 (see note 17)

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

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability

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 2011

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 Financial Reporting Standard 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 Financial Reporting Standard 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 21) for the financial year amounted to £23,226,000 (2010 – profit of £11,700,000) The company's loss for the 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 2011

3. SEGMENT INFORMATION

Turnover

	2011 £'000	2010 £'000
Gate receipts	9,784	10,495
Sponsorship and advertising	5,138	4,831
Broadcasting rights	6,126	6,726
Commercial	4,525	5,343
League distributions	37,628	32,224
Other turnover	1,200	1,025
	64,401	60,644

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2011 £'000	2010 £'000
Directors' emoluments		
Remuneration	1,048	1,017
Pension contributions	104	99
	1,152	1,116
Highest paid director		
Remuneration	1,048	1,017
Pension contributions	104	99
	1,152	1,116

	2011 No.	2010 No.
Average number of persons employed (including directors)		
Playing staff	62	55
Non playing staff	189	186
	251	241

	2011 £'000	2010 £'000
Staff costs during the year (including directors)		
Wages and salaries	33,550	26,419
Social security costs	4,218	3,251
Pension costs	147	131
	37,915	29,801

The number of directors who were members of a defined contribution scheme in the year was one (2010 – 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 2011

5. OTHER OPERATING INCOME

	2011 £'000	2010 £'000
Rent receivable	125	125

6. OPERATING EXPENSES

Operating expenses comprise:	2011 £'000	2010 £'000
Depreciation of owned assets	7,837	7,429
Depreciation of leased assets	10	82
Amortisation of players' registrations	9,291	9,475
Amortisation of grants (note 18)	(493)	(60)
	16,645	16,926
Staff costs (note 4)	37,915	29,801
Other operating charges	9,352	9,524
Operating expenses	63,912	56,251

7 OPERATING PROFIT/ (LOSS)

Operating profit/(loss) is stated after charging/(crediting):	2011 £'000	2010 £'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	25
Depreciation of owned assets	7,837	7,429
Depreciation of leased assets	10	82
Amortisation of players' registrations	9,291	9,475
Amortisation of grants (note 18)	(493)	(60)
Operating leases		
Hire of plant and machinery	18	24
Hire of assets other than plant and machinery	123	87

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

8. NET FINANCE INCOME

	2011 £'000	2010 £'000
Bank interest receivable	311	261
Interest payable and similar charges		
Interest paid on finance leases	-	(1)
Mortgage interest	(13)	(17)
	(13)	(18)
Net finance income	298	243

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The group has no liability for taxation owing to the availability of tax losses carried forward The tax losses carried forward, subject to the agreement of the tax authorities, amount to approximately £8 5 million (2010 - £18 0 million)

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered The potential deferred tax asset of approximately £2 9 million (2010 £5 5 million), which arises substantially in respect of losses carried forward, has not been recognised as it is not expected that there will be taxable profits 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 27 67% (2010 28%)

The differences are explained below	2011 £'000	2010 £'000
Profit on ordinary activities before tax	2,236	9,131
Tax on profit on ordinary activities at standard rate of 27 67% (2010 – 28%)	619	2,557
Factors affecting charge:		
Expenses not deductible for tax purposes	2,065	5,289
Non-taxable income	(138)	(3,321)
Capital allowances in excess of depreciation	99	105
Other short term differences	9	(13)
Increase of tax losses	43	20
Utilisation of tax losses	(2,686)	(4,677)
Group relief not paid for	(11)	40
	-	-

10. INTANGIBLE FIXED ASSETS

Group	**Players' registrations £'000**
Cost	
At 1 June 2010	31,891
Additions	17,215
Disposals	(5,105)
At 31 May 2011	44,001
Amortisation	
At 1 June 2010	14,653
Charge for the year	9,291
Disposals	(2,060)
At 31 May 2011	21,884
Net book value	
At 31 May 2011	22,117
At 31 May 2010	17,238

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

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 2010	41,754	5,564	3,417	619	3,674	55,028
Additions	2,355	32	333	92	184	2,996
Disposals	-	-	(5)	-	(71)	(76)
At 31 May 2011	44,109	5,596	3,745	711	3,787	57,948
Accumulated depreciation						
At 1 June 2010	7,656	215	2,053	82	2,425	12,431
Charge for the year	7,147	112	277	13	298	7,847
Disposals	-	-	(3)	-	(51)	(54)
At 31 May 2011	14,803	327	2,327	95	2,672	20,224
Net book value						
At 31 May 2011	29,306	5,269	1,418	616	1,115	37,724
At 31 May 2010	34,098	5,349	1,364	537	1,249	42,597

Included within training facilities are long term leases with a net book value of £382,500 (2010 £392,500) The depreciation on these leased assets was £10,000 (2010 £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 2011 the net book value determined according to the historical cost convention of these assets would be £18,444,504 (cost of £25,518,655 less accumulated depreciation of £7,074,151) All other tangible fixed assets are stated at historical cost

These valuations less depreciation charged to 31 May 2011 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 life of the East stand to 3 5 years with the North stand being fully written off, resulting in additional depreciation of £6 3m 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 2010 and 31 May 2011	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 2011

13. STOCKS

	Group	
	2011	2010
	£'000	£'000
Goods held for resale	404	224

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

14. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade debtors	659	1,000	-	-
Other debtors	988	3,238	1	108
Prepayments and accrued income	4,071	3,038	-	-
All amounts are due within one year	5,718	7,276	1	108

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Mortgage loan (note 19)	-	23	-	-
Obligations under finance leases (note 19)	-	3	-	-
Trade creditors	1,862	1,307	-	-
Other taxation and social security	3,700	3,503	-	-
Other creditors	5,595	8,456	17	18
	11,157	13,292	17	18

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

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Mortgage loan (note 19)	-	268	-	-
Other creditors	616	511	-	-
	616	779	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

17. PROVISION FOR LIABILITIES

Group

Contingent appearance fees (see note 1)	**£'000**
Balance at 1 June 2010	494
Capitalised as players' registrations	53
Utilised in the year	(305)
Balance at 31 May 2011	242

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 £996,000 (2010 - £347,500)

At the year end, amounts due in respect of compensation fees were £19,721 payable (2010 - £26,178) and are included within other creditors Amounts receivable were £nil (2010 - £nil)

At the year end, amounts payable and receivable in respect of loan fees were £nil (2010 - £nil)

18. DEFERRED INCOME

Group	**Advance revenue £'000**	**Deferred grant income £'000**	**Total £'000**
At 1 June 2010	6,363	1,725	8,088
Amounts received in the year	5,550	-	5,550
Transfer to profit and loss account	(6,356)	(493)	(6,849)
At 31 May 2011	5,557	1,232	6,789

The company had no deferred income in either year

19. BORROWINGS

Borrowings are repayable as follows:	**Group 2011 £'000**	**Group 2010 £'000**	**Company 2011 £'000**	**Company 2010 £'000**
Mortgage				
In one year or less or on demand	-	23	-	-
In more than one year but not more than two years	-	25	-	-
In more than two years but not more than five years	-	113	-	-
In more than five years	-	130	-	-
Obligations under finance leases				
In one year or less or on demand	-	3	-	-
	-	294	-	-

The mortgage loan was secured on the car parks at Molineux, and incurred interest at a variable rate at 5 49% During the year the remaining liability has been paid in full

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

20. CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Called up, allotted and fully paid		
78,000,000 ordinary shares of £1 each	78,000	78,000
Authorised		
80,000,000 ordinary shares of £1 each	80,000	80,000

21. RESERVES

Group	Capital contribution reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2010	100	21,062	(28,690)	(7,528)
Profit for the year	-	-	2,236	2,236
Transfer between reserves	-	(6,635)	6,635	-
At 31 May 2011	100	14,427	(19,819)	(5,292)

Company	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2010	100	(40,229)	(40,129)
Loss for the year	-	(23,226)	(23,226)
At 31 May 2011	100	(63,455)	(63,355)

22. CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	2,236	9,131
Difference between the historical cost depreciation charge and the actual depreciation charge for the year	6,635	6,498
Historical cost profit on ordinary activities before taxation being retained historical cost profit for the year	8,871	15,629

23 RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Opening shareholders' funds	70,472	61,341
Profit for the financial year	2,236	9,131
Closing shareholders' funds	72,708	70,472

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

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

	2011 £'000	2010 £'000
Operating profit	614	4,518
Depreciation	7,847	7,511
Amortisation of players' registration	9,291	9,475
Amortisation of deferred grant income	(493)	(60)
Loss on disposal of fixed assets	-	-
(Increase)/decrease in stock	(181)	21
Increase in debtors	(410)	(1,943)
Increase/(decrease) in creditors	922	(5,376)
Net cash inflow from operating activities	17,590	14,146

25. ANALYSIS OF CASH FLOWS

	2011 £'000	2010 £'000
Returns on investments and servicing of finance		
Interest received and similar income	311	260
Interest paid	(13)	(16)
Interest element of finance lease rentals	-	(1)
Net cash inflow	298	243

	2011 £'000	2010 £'000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,972)	(1,482)
Purchase of players	(21,202)	(12,049)
Sale of players	6,339	8,540
Net cash outflow	(17,835)	(4,991)

Financing	2011 £'000	2010 £'000
Repayment of loans	(291)	(22)
Capital element of finance lease rental payments	(3)	(23)
Net cash outflow	(294)	(45)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

26. ANALYSIS OF NET FUNDS

	At 1 June 2010 £'000	Cash flow £'000	At 31 May 2011 £'000
Cash at bank and in hand	25,790	(241)	25,549
Mortgage loan	(291)	291	-
Finance leases	(3)	3	-
Net funds	25,496	53	25,549

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

	2011 £'000	2010 £'000
(Decrease)/increase in cash	(241)	9,353
Cash inflow from decrease in debt and lease financing	294	45
Change in net funds resulting from cash flows	53	9,398
Net funds at beginning of year	25,496	16,098
Net funds at end of year	25,549	25,496

28. FINANCIAL COMMITMENTS

	Group 2011 £'000	Group 2010 £'000	Company 2011 £'000	Company 2010 £'000
Capital commitments				
Contracted for but not provided	16,956	2,079	-	-

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

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

Annual commitments under non cancellable other operating leases are as follows

	Group 2011 £'000	Group 2010 £'000
Leases which expire		
Within one year	13	17
Within one to two years	-	13
Within two to five years	7	3
	20	33

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2011

29. 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 2009, 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 £147,172 (2010 - £131,491)

30. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is Bridgemere Investments Ltd, a company incorporated in Guernsey The company is a 75% undertaking of Carden Leisure Ltd, a company incorporated in England and Wales, which is in turn a wholly owned subsidiary of the Bridgemere UK plc group

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

31. 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 £957,534 (2010 - £997,694) resulting in a profit on sale of £1,856,713 (2010 – profit of £732,145) In addition, the company has acquired players' registrations with a value of £11,378,461 (2010 - £16,776,135) since the balance sheet date