

**W. W. (1990) LIMITED**

**Report and Financial Statements**

**31 May 2009**

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**REPORT AND FINANCIAL STATEMENTS 2009**

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**REPORT AND FINANCIAL STATEMENTS 2009**

**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  
Colmore Row  
Birmingham

**AUDITORS**

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester, United Kingdom

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2009

### 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 result for the year to be satisfactory, especially as the club achieved automatic promotion to the Premier League by winning the Football League Championship

Details of post-year end player trading are set out in note 27 to the financial statements

Revenue for the year finished at the slightly higher level of £18.27 million (2008 - £18.15 million) The increase was achieved despite the decrease in the solidarity payment received from the Premier League, £0.7 million, based on the club's finishing position for the 2007/08 season, compared to the prior year's £1.4 million This reduction was primarily offset by improved attendances and ticket revenues The average League attendance for the season was 24,153 compared to the prior year figure of 23,500

Operating costs were higher than the previous year due to the associated costs of promotion However, the player trading position recognised a net surplus with transfer receipts and profits outweighing acquisitions and player amortisation

Interest receipts remained high, being attributable to the levels of cash deposits maintained during the year

The Group's primary aim is to retain its Premier League status and the directors have developed a plan and effected investments target at achieving this objective

### RESULTS AND DIVIDENDS

No dividend can be paid (2008 - same) The retained loss for the year of £4,957,366 (2008 - £4,070,396) has been withdrawn from reserves

### FINANCIAL RISK MANAGEMENT

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 last year and regular profit and loss projections and cash flow forecasts

#### Price risk

This is largely governed by the division the club is operating within and prices are set accordingly The policy adopted recognises the inherent value of our fan base and core supporters By monitoring feedback and industry pricing we look to offer the best value for money

## **DIRECTORS' REPORT (continued)**

### **FINANCIAL RISK MANAGEMENT (continued)**

#### **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. Any fluctuations in cash flow during the season will 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 2009, liquid cash resources amounted to £16.4 million.

Cash flows are prepared and managed on a weekly and 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 Football League rules as are ticket sales to away clubs.

### **GOING CONCERN**

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in sections 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 and the limited external debt held by the group.

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.

### **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.

## DIRECTORS' REPORT (continued)

### 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 CONSULTATION

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 £11,757 (2008 - £21,766) principally to the PFA Benevolent Fund and Wolves Community Trust.

### AUDITORS

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

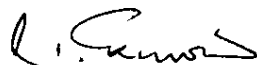
(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

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

24<sup>th</sup> February 2010

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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 AUDITORS' REPORT TO THE MEMBERS OF W.W. (1990) LIMITED**

We have audited the financial statements of WW (1990) Limited for the year ended 31 May 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Note of Historical Cost Profits and Losses, the Balance Sheets and the related notes 1 to 27. 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 auditors' 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 auditors**

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 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 (APB'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 group's and the parent 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.

### **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 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


### **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 (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester, UK

26 February 2010



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 May 2009**

	Note	Operations excluding player trading £	Player amortisation and trading £	2009 £	2008 £
<b>TURNOVER</b>	1,3	18,273,358	-	18,273,358	18,151,655
		18,273,358	-	18,273,358	18,151,655
Other operating income	5	125,000		125,000	125,000
Operating expenses	6	(24,888,430)	(3,735,937)	(28,624,367)	(23,685,100)
<b>OPERATING LOSS</b>	7	(6,490,072)	(3,735,937)	(10,226,009)	(5,408,445)
Profit on disposal of players' registrations		-	4,567,706	4,567,706	348,042
<b>(LOSS)/PROFIT BEFORE FINANCE CHARGES</b>		(6,490,072)	831,769	(5,658,303)	(5,060,403)
Finance Income (net)	8			700,937	990,007
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				(4,957,366)	(4,070,396)
Tax on loss on ordinary activities	9			-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	21			(4,957,366)	(4,070,396)

All the above results derive from continuing operations

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 May 2009**

	2009 £	2008 £
Loss for the financial year	(4,957,366)	(4,070,396)
Adjustment to surplus arising on revaluation of tangible fixed assets	-	5,138,062
	<u>(4,957,366)</u>	<u>1,067,666</u>
Total recognised gains and losses in the year	<u>(4,957,366)</u>	<u>1,067,666</u>

**CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**Year ended 31 May 2009**

	Note	2009 £	2008 £
Loss on ordinary activities before taxation		(4,957,366)	(4,070,396)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year	21	<u>446,093</u>	<u>391,784</u>
Historical cost loss on ordinary activities before taxation being retained historical cost loss for the year		<u>(4,511,273)</u>	<u>(3,678,612)</u>

**CONSOLIDATED BALANCE SHEET**  
**31 May 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Intangible assets	10	9,456,772	7,356,036
Tangible assets	11	47,059,919	47,186,312
		<u>56,516,691</u>	<u>54,542,348</u>
<b>CURRENT ASSETS</b>			
Stocks	13	245,023	207,350
Debtors	14	5,514,540	2,308,781
Cash at bank and in hand		16,436,907	21,065,215
		<u>22,196,470</u>	<u>23,581,346</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(8,261,252)</u>	<u>(4,914,042)</u>
<b>NET CURRENT ASSETS</b>		<u>13,935,218</u>	<u>18,667,304</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		70,451,909	73,209,652
<b>CREDITORS: amounts falling due after more than one year</b>	16	<u>(520,247)</u>	<u>(385,541)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		69,931,662	72,824,111
<b>PROVISION FOR LIABILITIES</b>	17	(212,844)	(467,250)
<b>DEFERRED INCOME</b>	18	<u>(8,378,083)</u>	<u>(6,058,760)</u>
<b>NET ASSETS</b>		<u><u>61,340,735</u></u>	<u><u>66,298,101</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	78,000,000	78,000,000
Capital contribution reserve	21	100,000	100,000
Revaluation reserve	21	27,560,195	28,006,288
Profit and loss account	21	(44,319,460)	(39,808,187)
<b>SHAREHOLDERS' FUNDS</b>	22	<u><u>61,340,735</u></u>	<u><u>66,298,101</u></u>

These financial statements of WW (1990) Limited, registered number 2487393, were approved by the Board of Directors on *24<sup>th</sup> Feb. 2010*

Signed on behalf of the Board of Directors



J D Moxey

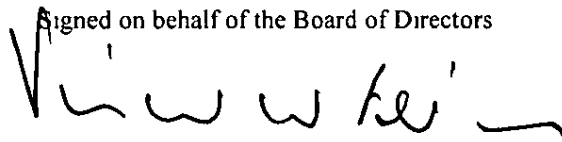
Director

**COMPANY BALANCE SHEET**  
**31 May 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investments	12	<u>14,659,997</u>	<u>14,659,997</u>
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		11,537,400	18,001,458
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(17,205)</u>	<u>(1,500)</u>
<b>NET CURRENT ASSETS</b>		<u>11,520,195</u>	<u>17,999,958</u>
<b>NET ASSETS</b>		<u><u>26,180,192</u></u>	<u><u>32,659,955</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	78,000,000	78,000,000
Capital contribution	21	100,000	100,000
Profit and loss account	21	<u>(51,919,808)</u>	<u>(45,440,045)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>26,180,192</u></u>	<u><u>32,659,955</u></u>

These financial statements of WW (1990) Limited, registered number 2487393, were approved by the Board of Directors on

Signed on behalf of the Board of Directors

  
V Fairclough  
Director

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 May 2009****1. ACCOUNTING POLICIES**

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

As disclosed in the Directors' Report on page 3, the financial statements have been prepared on the basis of going concern.

**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.

**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.

Grants received in respect of safety work and ground improvements are credited to deferred grant income and are released to the profit and loss account over the anticipated useful life of the assets 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 its expected useful life as below:

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%

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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**1. ACCOUNTING POLICIES (continued)**

**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 24).

**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 written off to the profit and loss account as incurred.

**Investments**

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**1. ACCOUNTING POLICIES (continued)**

**Taxation (continued)**

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) 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. CONSOLIDATED 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 £6,479,763 (2008 – £11,963,541). The company's loss for the year was increased by £7,129,562 (2008 – loss of £12,929,443) due to movements in provisions which are made against intercompany receivables.

**3. SEGMENT INFORMATION**

Turnover	Football Activities		Non football activities		Total	
	2009	2008	2009	2008	2009	2008
	£	£	£	£	£	£
Gate receipts	7,343,717	6,852,472	-	-	7,343,717	6,852,472
Sponsorship and advertising	8,295	59,022	3,368,679	3,257,458	3,376,974	3,316,480
Broadcasting rights	300,038	329,290	-	-	300,038	329,290
Commercial	12,498	17,877	4,784,843	4,282,386	4,797,341	4,300,263
Other turnover	2,455,288	3,353,150	-	-	2,455,288	3,353,150
	<u>10,119,836</u>	<u>10,611,811</u>	<u>8,153,522</u>	<u>7,539,844</u>	<u>18,273,358</u>	<u>18,151,655</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2009 £	2008 £
<b>Directors' emoluments</b>		
Remuneration	541,818	328,227
Pension contributions	58,360	56,008
	<u>600,178</u>	<u>384,235</u>
<b>Highest paid director</b>		
Remuneration	541,818	328,227
Pension contributions	58,360	56,008
	<u>600,178</u>	<u>384,235</u>
	<b>2009 No.</b>	<b>2008 No.</b>
<b>Average number of persons employed</b>		
Playing staff	53	54
Non Playing staff	220	209
	<u>273</u>	<u>263</u>

Included in the above are an average of 105 (2008 – 101) members of staff who were employed on a part time basis

	2009 £	2008 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	14,884,032	12,322,074
Social security costs	1,773,093	1,444,277
Pension costs	89,855	93,384
	<u>16,746,980</u>	<u>13,859,735</u>

The number of directors who were members of a defined contribution scheme in the year was one (2008 – 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.

**5. OTHER OPERATING INCOME**

	2009 £	2008 £
Rent receivable	<u>125,000</u>	<u>125,000</u>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**6 OPERATING EXPENSES**

	2009 £	2008 £
<b>Operating expenses comprise:</b>		
Depreciation of owned assets	1,253,712	1,144,115
Depreciation of leased assets	82,870	82,868
Amortisation of players' registrations	3,735,937	2,775,211
Deferred grant income	(58,730)	(58,730)
	<u>5,013,789</u>	<u>3,943,464</u>
Staff costs (note 4)	16,746,980	13,859,735
Other operating charges	6,863,598	5,881,901
	<u>28,624,367</u>	<u>23,685,100</u>

**7. OPERATING LOSS**

	2009 £	2008 £
<b>Operating loss is stated after charging/(crediting):</b>		
Auditors' remuneration		
Audit fees – audit of the Company's accounts	1,200	1,500
Audit fees – audit of the company's subsidiaries pursuant to legislation	19,300	24,250
Non-audit fees – taxation services	-	8,650
Depreciation of owned assets	1,253,712	1,144,115
Depreciation of leased assets	82,870	82,868
Amortisation of players' registrations	3,735,937	2,775,211
Deferred grant income	(58,730)	(58,731)
Operating leases		
Hire of plant and machinery	30,023	8,356
Hire of assets other than plant and machinery	71,686	70,301
	<u>71,686</u>	<u>70,301</u>

**8. FINANCE INCOME (NET)**

	2009 £	2008 £
<b>Bank interest receivable</b>	<u>725,775</u>	<u>1,094,111</u>
<b>Interest payable and similar charges</b>		
Bank interest	318	66,745
Interest paid on finance leases	2,343	4,334
Mortgage Interest	22,177	33,025
	<u>24,838</u>	<u>104,104</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2009

## 9. TAX ON (LOSS)/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 £34.6 million (2008 - £31.2 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 £10.2 million (2008 - £9.2 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 28% (2008 - 30%).

	2009 £	2008 £
The differences are explained below		
(Loss)/profit on ordinary activities before tax	(4,957,366)	(4,070,396)
Tax on (loss)/profit on ordinary activities at standard rate of 28% (2008 - 30%)	(1,388,062)	(1,207,515)
<b>Factors affecting charge:</b>		
Expenses not deductible for tax purposes	269,874	261,689
Non-taxable income	(17,276)	(18,240)
Capital allowances in excess of depreciation	106,791	115,594
Other short term differences	-	12,122
Creation of tax losses	1,028,673	1,122,901
Utilisation of tax losses	-	(159,203)
Group relief not paid for	-	(127,348)
	<u>-</u>	<u>-</u>

## 10. INTANGIBLE FIXED ASSETS

Group	Players' registrations £
<b>Cost</b>	
At 1 June 2008	13,166,591
Additions	8,091,437
Disposals	(5,179,670)
At 31 May 2009	<u>16,078,358</u>
<b>Amortisation</b>	
At 1 June 2008	5,810,555
Charge for the year	3,735,937
Disposals	(2,924,906)
At 31 May 2009	<u>6,621,586</u>
<b>Net book value</b>	
At 31 May 2009	<u>9,456,772</u>
At 31 May 2008	<u>7,356,036</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**11. TANGIBLE FIXED ASSETS**

Group	Stadium development £	Training facilities £	Plant, equipment and motor vehicles £	Car Park £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>						
At 1 June 2008	39,250,000	5,371,000	2,627,897	619,050	2,907,280	50,775,227
Additions	383,000	8,084	492,617	-	330,587	1,214,288
Disposals	-	-	(7,816)	-	(1,995)	(9,811)
At 31 May 2009	<u>39,633,000</u>	<u>5,379,084</u>	<u>3,112,698</u>	<u>619,050</u>	<u>3,235,872</u>	<u>51,979,704</u>
<b>Accumulated depreciation</b>						
At 1 June 2008	-	-	1,613,822	57,758	1,917,335	3,588,915
Charge for the year	790,757	107,558	191,713	12,381	234,173	1,336,582
Disposals	-	-	(3,717)	-	(1,995)	(5,712)
At 31 May 2009	<u>790,757</u>	<u>107,558</u>	<u>1,801,818</u>	<u>70,139</u>	<u>2,149,513</u>	<u>4,919,785</u>
<b>Net book value</b>						
At 31 May 2009	<u>38,842,243</u>	<u>5,271,526</u>	<u>1,310,880</u>	<u>548,911</u>	<u>1,086,359</u>	<u>47,059,919</u>
At 31 May 2008	<u>39,250,000</u>	<u>5,371,000</u>	<u>1,014,075</u>	<u>561,292</u>	<u>989,945</u>	<u>47,186,312</u>

Included within training facilities are long term leases with a net book value of £402,500 (2008 £412,500)  
The depreciation on these leased assets was £10,000 (2008 £10,000)

The stadium development was valued at £39.25 million, on a depreciated replacement cost basis, by Eddisons Commercials Ltd, Chartered Surveyors, on 31 May 2008. At 31 May 2009 the net book value determined according to the historical cost convention would be £12,303,987 (cost of £17,942,795 less accumulated depreciation of £5,638,808)

The Aldersley training facility was valued at £796,000 on a depreciated replacement cost basis by Eddisons Commercials Ltd, Chartered Surveyors, on 31 May 2008. The Compton training facility was valued at £4,575,000 on a depreciated replacement cost basis by Eddisons Commercials Ltd, Chartered Surveyors, on 31 May 2008. At 31 May 2009 the net book value of the total training facilities determined according to the historical cost convention would be £3,973,730 (cost of £4,448,766 less accumulated depreciation of £475,036)

All other tangible fixed assets are stated at historical cost

These valuations less depreciation charged to 31 May 2009 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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**12 INVESTMENTS HELD AS FIXED ASSETS**

Company	Shares in subsidiaries £
<b>Cost and net book value</b>	
At 1 June 2008 and 31 May 2009	<u>14,659,997</u>

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

**13. STOCKS**

	Group	
	2009 £	2008 £
Goods held for resale	<u>245,023</u>	<u>207,350</u>

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

**14. DEBTORS**

	Group	
	2009 £	2008 £
Trade debtors	1,130,382	1,421,588
Other debtors	3,382,407	49,858
Prepayments and accrued income	1,001,751	837,335
	<u>5,514,540</u>	<u>2,308,781</u>

All amounts are due within one year

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Mortgage loan (note 19)	21,982	17,996	-	-
Obligations under finance leases (note 19)	22,879	22,390	-	-
Trade creditors	1,422,209	752,798	-	-
Other taxation and social security	1,436,140	1,007,143	-	-
Other creditors	5,358,042	3,113,715	17,205	1,500
	<u>8,261,252</u>	<u>4,914,042</u>	<u>17,205</u>	<u>1,500</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2009

## 16. CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Mortgage loan (note 19)	291,094	314,192	-	-
Obligations under finance leases (note 19)	3,153	26,032	-	-
Other creditors	226,000	45,317	-	-
	<u>520,247</u>	<u>385,541</u>	<u>-</u>	<u>-</u>

## 17. PROVISION FOR LIABILITIES

## Group

Contingent appearance fees (see note 1)	£
Balance at 1 June 2008	467,250
Capitalised as players' registrations	210,000
Utilised in the year	<u>(464,406)</u>
Balance at 31 May 2009	<u>212,844</u>

The company had no provisions for liabilities in either year

## 18. DEFERRED INCOME

Group	Advance	Deferred	Total
	revenue	grant	
	£	income	£
At 1 June 2008	4,216,033	1,842,727	6,058,760
Amounts received in the year	6,587,027	-	6,587,027
Transfer to profit and loss account	<u>(4,208,974)</u>	<u>(58,730)</u>	<u>(4,267,704)</u>
At 31 May 2009	<u>6,594,086</u>	<u>1,783,997</u>	<u>8,378,083</u>

The company had no deferred income in either year

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 May 2009**

**19. BORROWINGS**

Borrowings are repayable as follows	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Mortgage				
In one year or less or on demand	21,982	17,996	-	-
In more than one year but not more than two years	23,219	19,449	-	-
In more than two years but not more than five years	77,800	68,287	-	-
In more than five years	190,075	226,456	-	-
Obligations under finance leases				
In one year or less or on demand	22,879	22,390	-	-
In more than one year but not more than two years	3,153	22,879	-	-
In more than two years but not more than five years	-	3,153	-	-
	<u>339,108</u>	<u>380,610</u>	<u>-</u>	<u>-</u>

The mortgage loan is secured on the car parks at Molineux, and incurs interest at a variable rate at 5.49%

**20. CALLED UP SHARE CAPITAL**

	2009 £	2008 £
Called up, allotted and fully paid 78,000,000 ordinary shares of £1 each	<u>78,000,000</u>	<u>78,000,000</u>
Authorised 80,000,000 ordinary shares of £1 each	<u>80,000,000</u>	<u>80,000,000</u>

**21. RESERVES**

Group	Capital contribution reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2008	100,000	28,006,288	(39,808,187)	(11,701,899)
Loss for the year	-	-	(4,957,366)	(4,947,366)
Transfer between reserves	-	(446,093)	446,093	-
At 31 May 2009	<u>100,000</u>	<u>27,560,195</u>	<u>(44,319,460)</u>	<u>(16,649,265)</u>

Company	Capital contribution reserve £	Profit and loss account £	Total £
At 1 June 2008	100,000	(45,440,045)	(45,340,045)
Loss for the year	-	(6,469,763)	(6,469,763)
At 31 May 2009	<u>100,000</u>	<u>(51,909,808)</u>	<u>(51,809,808)</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2009

## 22 RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	66,298,101	35,230,435
Increase in issued share capital	-	30,000,000
Increase in revaluation reserve	-	5,138,062
Loss for the financial year	<u>(4,957,366)</u>	<u>(4,070,396)</u>
Closing shareholders' funds	<u>61,340,735</u>	<u>66,298,101</u>

## 23. FINANCIAL COMMITMENTS

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
<b>Capital commitments</b>				
Contracted for but not provided	<u>541,000</u>	<u>465,000</u>	<u>-</u>	<u>-</u>

**Operating lease commitments**

The Group has no land and building operating leases. At 31 May 2009, the Group was committed to making the following payments during the next year in respect of other operating leases

	Group	
	2009 £	2008 £
Leases which expire		
Within one year	6,288	5,002
Within one to two years	-	2,600
Within two to five years	<u>13,476</u>	<u>1,706</u>
	<u>19,764</u>	<u>9,308</u>

## 24. CONTINGENT LIABILITIES

In addition to amounts provided in note 17, 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 £242,500 (2008 - £2,670,000)

At the year end, amounts due in respect of compensation fees were £22,584 payable (2008 - £nil) and are included within other creditors. Amounts receivable were £nil (2008 - £nil)

At the year end, amounts payable and receivable in respect of loan fees were £nil (2008 - £nil)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 May 2009**

**25. 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 £89,855 (2008 - £93,384).

**26. 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.

**27. 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 £154,504 (2008 - £2,414,041) resulting in a profit on sale of £3,587,796 (2008 - profit of £4,357,153). In addition, the company has acquired players' registrations with a value of £18,506,935 (2008 - £6,629,392) since the balance sheet date.