

W. W. (1990) LIMITED

Report and Financial Statements

For the year ended 31 May 2010

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REPORT AND FINANCIAL STATEMENTS 2010

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

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 2010

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 first season back in the Premier League to be very satisfactory. This performance further strengthens an already strong Balance Sheet which shows the group to be in a very healthy financial position.

The increase in turnover for the year to £60.6m (2009 - £18.3m) demonstrated the benefit, in turnover terms, of promotion to the Premier League. An amount of £36.9m of the £42.4m uplift in turnover can be attributed to central deals, including television rights and sponsorships.

Additional ticket revenues, from increased League match attendances (an average of 28,366 compared to the prior year 24,153) and good receipts from the Carling Cup, contributed towards a further uplift of around £3.2m and increased Commercial revenues, of approximately £2.2m accounted for the balance.

Operating costs were higher than the previous year's primarily because of higher player and management payroll costs as well as increased trading costs in line with higher commercial sales.

The higher amortisation charge for this year was partly offset by healthy profits on player disposals, resulting in a net loss on player trading of £5.1m.

Interest receipts reflect lower treasury deposit rates compared to last year as well as a lower level of cash deposits following the transfer window activity.

The directors remain totally committed to a strategically important medium to long term redevelopment project for Molineux Stadium. As part of this project, the Company purchased Peel House nearby and will demolish the building and turn the site into a car park during the redevelopment.

The Stadium will be rebuilt in phases starting at the end of season 2010/11 with the redevelopment of the Stan Cullis (North) Stand. A new two tier stand with 7,700 seats, new corporate facilities, a megastore, museum, family information centre and improved disabled facilities will be built in its place. The new stand will open for the start of the 2012/13 season but the asset will be capitalised as constructed. It is expected that the value generated from the enhanced facilities and capacity will be in excess of that generated by the existing stand. However, as a result of the 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 seating capacity, bring the pitch much closer to the stands to improve match day atmosphere and provide first class amenities for supporters.

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

The company'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 will be paid (2009 - same). The retained profit for the year of £9,131,077 (2009 - loss of £4,957,366) has been transferred to (2009 - from) reserves.

DIRECTORS' REPORT (continued)

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.

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 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 flow 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 2010, liquid cash resources amounted to £25.8 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 Premier and Football League rules as are ticket sales to away clubs.

GOING CONCERN

As disclosed in note 1 to the financial statements, the financial statements have been prepared on the basis of going concern.

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 £12,799 (2009 - £11,757) with the main beneficiary being the Everyman charity.

AUDITORS

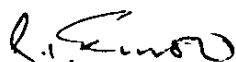
Each of the persons who is a director at the date of approval of this report confirms that

- (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 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 auditors 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 February 2011

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 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 2010 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 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 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 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 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 2010 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.

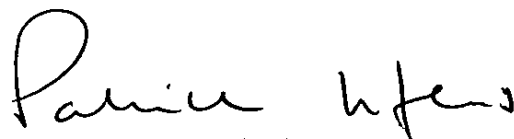
Opinion on other matter prescribed by the Companies Act 2006

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.



25 February 2011

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 May 2010

	Note	Operations excluding player trading £	Player amortisation and trading £	2010 £	2009 £
TURNOVER	1,3	60,643,790	-	60,643,790	18,273,358
		<u>60,643,790</u>	<u>-</u>	<u>60,643,790</u>	<u>18,273,358</u>
Other operating income	5	125,000	-	125,000	125,000
Operating expenses	6	(46,775,982)	(9,474,464)	(56,250,446)	(28,624,367)
OPERATING PROFIT/(LOSS)	7	13,992,808	(9,474,464)	4,518,344	(10,226,009)
Profit on disposal of players' registrations		-	4,369,978	4,369,978	4,567,706
PROFIT/(LOSS) BEFORE FINANCE CHARGES		<u>13,992,808</u>	<u>(5,104,486)</u>	8,888,322	(5,658,303)
Finance income (net)	8			242,755	700,937
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION				9,131,077	(4,957,366)
Tax on profit/(loss) on ordinary activities	9			-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	21,23			<u>9,131,077</u>	<u>(4,957,366)</u>

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 statement of total recognised gains and losses has been prepared.

CONSOLIDATED BALANCE SHEET
31 May 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Intangible assets	10	17,238,188	9,456,772
Tangible assets	11	42,597,288	47,059,919
		<u>59,835,476</u>	<u>56,516,691</u>
CURRENT ASSETS			
Stocks	13	224,498	245,023
Debtors	14	7,275,765	5,514,540
Cash at bank and in hand		25,790,372	16,436,907
		<u>33,290,635</u>	<u>22,196,470</u>
CREDITORS: amounts falling due within one year	15	<u>(13,292,830)</u>	<u>(8,261,252)</u>
NET CURRENT ASSETS		<u>19,997,805</u>	<u>13,935,218</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		79,833,281	70,451,909
CREDITORS amounts falling due after more than one year	16	(779,359)	(520,247)
PROVISION FOR LIABILITIES	17	(493,981)	(212,844)
DEFERRED INCOME	18	<u>(8,088,129)</u>	<u>(8,378,083)</u>
NET ASSETS		<u>70,471,812</u>	<u>61,340,735</u>
CAPITAL AND RESERVES			
Called up share capital	20	78,000,000	78,000,000
Capital contribution reserve	21	100,000	100,000
Revaluation reserve	21	21,061,922	27,560,195
Profit and loss account	21	<u>(28,690,110)</u>	<u>(44,319,460)</u>
SHAREHOLDERS' FUNDS	23	<u>70,471,812</u>	<u>61,340,735</u>

These financial statements of WW (1990) Limited, registered number 2487393, were approved by the Board of Directors and authorised for issue on 24 February 2011

Signed on behalf of the Board of Directors



J D Moxey

Director

COMPANY BALANCE SHEET
31 May 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Investments	12	14,659,997	14,659,997
CURRENT ASSETS			
Debtors		107,544	-
Cash at bank and in hand		23,120,593	11,537,400
		23,228,137	11,537,400
CREDITORS: amounts falling due within one year	15	(17,506)	(17,205)
NET CURRENT ASSETS		23,210,631	11,520,195
NET ASSETS		37,870,628	26,180,192
CAPITAL AND RESERVES			
Called up share capital	20	78,000,000	78,000,000
Capital contribution	21	100,000	100,000
Profit and loss account	21	(40,229,372)	(51,919,808)
SHAREHOLDERS' FUNDS		37,870,628	26,180,192

These financial statements of WW (1990) Limited, registered number 2487393, were approved by the Board of Directors and authorised for issue on *24th February 2011*

Signed on behalf of the Board of Directors



J D Moxey

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 2010

	Note	Year ended 31 May 2010 £	Year ended 31 May 2009 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			
	24	14,146,057	(2,800,660)
Returns on investments and servicing of finance	25	242,755	700,937
Capital expenditure and financial investment	25	(4,990,486)	(2,487,083)
		<hr/>	<hr/>
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		9,398,326	(4,586,806)
Financing	25	(44,861)	(41,502)
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH IN THE YEAR	26	<u>9,353,465</u>	<u>(4,628,308)</u>

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

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 May 2010****1. ACCOUNTING POLICIES**

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

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.

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.

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.

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 2010

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 decision 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 2.5 years respectively resulting in additional depreciation being recognised in the current 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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

1. ACCOUNTING POLICIES (continued)

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) 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 profit (see note 21) for the financial year amounted to £11,690,436 (2009 – loss of £6,479,763). The company's profit for the year was principally attributed to movements in provisions which are made against intercompany receivables

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

3 SEGMENT INFORMATION

Turnover

	Total	
	2010	2009
	£	£
Gate receipts	10,495,210	7,343,717
Sponsorship and advertising	4,830,592	3,376,974
Broadcasting rights	6,726,020	300,038
Commercial	5,343,430	4,797,341
League Distributions	32,223,366	1,652,774
Other turnover	1,025,172	802,514
	<u>60,643,790</u>	<u>18,273,358</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010	2009
	£	£
Directors' emoluments		
Remuneration	1,016,693	541,818
Pension contributions	99,000	58,360
	<u>1,115,693</u>	<u>600,178</u>
Highest paid director		
Remuneration	1,016,693	541,818
Pension contributions	99,000	58,360
	<u>1,115,693</u>	<u>600,178</u>
	2010	2009
	No.	No.
Average number of persons employed (including directors)		
Playing staff	55	53
Non Playing staff	186	220
	<u>241</u>	<u>273</u>
	2010	2009
	£	£
Staff costs during the year (including directors)		
Wages and salaries	26,418,895	14,884,032
Social security costs	3,250,422	1,773,093
Pension costs	131,491	89,855
	<u>29,800,808</u>	<u>16,746,980</u>

The number of directors who were members of a defined contribution scheme in the year was one (2009 – 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 2010

5 OTHER OPERATING INCOME

	2010	2009
	£	£
Rent receivable	125,000	125,000

6. OPERATING EXPENSES

	2010	2009
	£	£
Operating expenses comprise:		
Depreciation of owned assets	7,428,324	1,253,712
Depreciation of leased assets	82,868	82,870
Amortisation of players' registrations	9,474,464	3,735,937
Amortisation of grants (note 18)	(58,730)	(58,730)
	<u>16,926,926</u>	<u>5,013,789</u>
Staff costs (note 4)	29,800,808	16,746,980
Other operating charges	9,522,712	6,863,598
	<u>56,250,446</u>	<u>28,624,367</u>

7. OPERATING PROFIT/(LOSS)

	2010	2009
	£	£
Operating profit/(loss) is stated after charging/(crediting):		
Auditors' remuneration		
Audit fees – audit of the Company's accounts	1,800	1,200
Audit fees – audit of the company's subsidiaries pursuant to legislation	25,100	19,300
Depreciation of owned assets	7,428,324	1,253,712
Depreciation of leased assets	82,868	82,870
Amortisation of players' registrations	9,474,464	3,735,937
Amortisation of grants (note 18)	(58,730)	(58,730)
Operating leases		
Hire of plant and machinery	23,836	30,023
Hire of assets other than plant and machinery	86,845	71,686

8. FINANCE INCOME (NET)

	2010	2009
	£	£
Bank interest receivable	260,274	725,775
Interest payable and similar charges		
Bank interest	(57)	(318)
Interest paid on finance leases	(822)	(2,343)
Mortgage Interest	(16,640)	(22,177)
	<u>(17,519)</u>	<u>(24,838)</u>
Net finance income	<u>242,755</u>	<u>700,937</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

9. TAX ON PROFIT/(LOSS) 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 £18.0 million (2009 - £34.6 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 £5.5 million (2009 - £10.2 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% (2009 - 28%)

	2010 £	2009 £
The differences are explained below		
Profit/ (loss) on ordinary activities before tax	9,131,077	(4,957,366)
Tax on profit/ (loss) on ordinary activities at standard rate of 28% (2009 - 28%)	2,556,702	(1,388,062)
Factors affecting charge:		
Expenses not deductible for tax purposes	5,288,833	269,874
Non-taxable income	(3,321,419)	(17,276)
Capital allowances in excess of depreciation	104,990	106,791
Other short term differences	(12,354)	-
Increase of tax losses	19,817	1,028,673
Utilisation of tax losses	(4,676,516)	-
Group relief not paid for	39,947	-
	<u>-</u>	<u>-</u>

10. INTANGIBLE FIXED ASSETS

Group	Players' registrations £
Cost	
At 1 June 2009	16,078,358
Additions	17,878,151
Disposals	(2,065,451)
At 31 May 2010	<u>31,891,058</u>
Amortisation	
At 1 June 2009	6,621,586
Charge for the year	9,474,464
Disposals	(1,443,180)
At 31 May 2010	<u>14,652,870</u>
Net book value	
At 31 May 2010	<u>17,238,188</u>
At 31 May 2009	<u>9,456,772</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

11. TANGIBLE FIXED ASSETS

Group	Stadium development £	Training facilities £	Plant, equipment and motor vehicles £	Car Park £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 June 2009	39,633,000	5,379,084	3,112,698	619,050	3,235,872	51,979,704
Additions	2,121,881	184,963	303,958	-	437,759	3,048,561
At 31 May 2010	<u>41,754,881</u>	<u>5,564,047</u>	<u>3,416,656</u>	<u>619,050</u>	<u>3,673,631</u>	<u>55,028,265</u>
Accumulated depreciation						
At 1 June 2009	790,757	107,558	1,801,818	70,139	2,149,513	4,919,785
Charge for the year	6,865,143	107,694	250,702	12,381	275,272	7,511,192
At 31 May 2010	<u>7,655,900</u>	<u>215,252</u>	<u>2,052,520</u>	<u>82,520</u>	<u>2,424,785</u>	<u>12,430,977</u>
Net book value						
At 31 May 2010	<u>34,098,981</u>	<u>5,348,795</u>	<u>1,364,136</u>	<u>536,530</u>	<u>1,248,846</u>	<u>42,597,288</u>
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>

Included within training facilities are long term leases with a net book value of £392,500 (2009 £402,500)
The depreciation on these leased assets was £10,000 (2009 £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. At 31 May 2010 the net book value determined according to the historical cost convention of these assets would be £15,811,167 (cost of £22,391,561 less accumulated depreciation of £6,580,394). All other tangible fixed assets are stated at historical cost.

These valuations less depreciation charged to 31 May 2010 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 lives of the North and East stands to 2 and 2.5 years respectively resulting in additional depreciation of £6.1m being recognised in the current year financial statements.

12. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiaries £
Cost and net book value	
At 1 June 2009 and 31 May 2010	<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

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

13 STOCKS

	Group	
	2010	2009
	£	£
Goods held for resale	224,498	245,023

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

14 DEBTORS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	1,000,301	1,130,382	-	-
Other debtors	3,237,570	3,382,407	107,544	-
Prepayments and accrued income	3,037,894	1,001,751	-	-
	<u>7,275,765</u>	<u>5,514,540</u>	<u>107,544</u>	<u>-</u>

All amounts are due within one year

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Mortgage loan (note 19)	23,219	21,982	-	-
Obligations under finance leases (note 19)	3,153	22,879	-	-
Trade creditors	1,307,324	1,422,209	-	-
Other taxation and social security	3,503,305	1,436,140	-	-
Other creditors	8,455,829	5,358,042	17,506	17,205
	<u>13,292,830</u>	<u>8,261,252</u>	<u>17,506</u>	<u>17,205</u>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Mortgage loan (note 19)	267,875	291,094	-	-
Obligations under finance leases (note 19)	-	3,153	-	-
Other creditors	511,484	226,000	-	-
	<u>779,359</u>	<u>520,247</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

17. PROVISION FOR LIABILITIES**Group**

Contingent appearance fees (see note 1)	£
Balance at 1 June 2009	212,844
Capitalised as players' registrations	420,000
Utilised in the year	<u>(138,863)</u>
Balance at 31 May 2010	<u>493,981</u>

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 £347,500 (2009 - £242,500)

At the year end, amounts due in respect of compensation fees were £26,178 payable (2009 - £22,584) and are included within other creditors. Amounts receivable were £nil (2009 - £nil)

At the year end, amounts payable and receivable in respect of loan fees were £nil (2009 - £nil)

18. DEFERRED INCOME

Group	Advance revenue £	Deferred grant income £	Total £
At 1 June 2009	6,594,085	1,783,998	8,378,083
Amounts received in the year	6,355,802	-	6,355,802
Transfer to profit and loss account	<u>(6,587,026)</u>	<u>(58,730)</u>	<u>(6,645,756)</u>
At 31 May 2010	<u>6,362,861</u>	<u>1,725,268</u>	<u>8,088,129</u>

The company had no deferred income in either year

19. BORROWINGS

Borrowings are repayable as follows:	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Mortgage				
In one year or less or on demand	23,219	21,982	-	-
In more than one year but not more than two years	24,527	23,219	-	-
In more than two years but not more than five years	112,715	77,800	-	-
In more than five years	130,633	190,075	-	-
Obligations under finance leases				
In one year or less or on demand	3,153	22,879	-	-
In more than one year but not more than two years	-	3,153	-	-
	<u>294,247</u>	<u>339,108</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%

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

20. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Called up, allotted and fully paid 78,000,000 ordinary shares of £1 each	78,000,000	78,000,000
Authorised 80,000,000 ordinary shares of £1 each	80,000,000	80,000,000

21. RESERVES

Group	Capital contribution reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2009	100,000	27,560,195	(44,319,460)	(16,659,265)
Profit for the year	-	-	9,131,077	9,131,077
Transfer between reserves	-	(6,498,273)	6,498,273	-
At 31 May 2010	100,000	21,061,922	(28,690,110)	(7,528,188)
Company		Capital contribution reserve £	Profit and loss account £	Total £
At 1 June 2009		100,000	(51,919,808)	(51,819,808)
Profit for the year		-	11,690,436	11,700,436
At 31 May 2010		100,000	(40,229,372)	(40,119,372)

22. CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2010 £	2009 £
Profit/(loss) on ordinary activities before taxation	9,131,077	(4,957,366)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year	6,498,273	446,093
Historical cost profit/(loss) on ordinary activities before taxation being retained historical cost profit/(loss) for the year	15,629,350	(4,511,273)

23. RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	61,340,735	66,298,101
Profit/ (loss) for the financial year	9,131,077	(4,957,366)
Closing shareholders' funds	70,471,812	61,340,735

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

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

	2010 £	2009 £
Operating profit/(loss)	4,518,344	(10,226,009)
Depreciation	7,511,192	1,336,582
Amortisation of players' registration	9,474,464	3,735,937
Amortisation of deferred grant income	(58,730)	(58,730)
Loss on disposal of fixed assets	-	4,099
Decrease/(increase) in stock	20,525	(37,673)
Increase in debtors	(1,942,852)	(469,759)
(Decrease)/increase in creditors	(5,376,886)	2,914,893
Net cash inflow/(outflow) from operating activities	<u>14,146,057</u>	<u>(2,800,660)</u>

25. ANALYSIS OF CASH FLOWS

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received and similar income	260,275	725,775
Interest paid	(16,697)	(22,495)
Interest element of finance lease rentals	(823)	(2,343)
Net cash inflow	<u>242,755</u>	<u>700,937</u>

	2010 £	2009 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,482,082)	(944,288)
Purchase of players	(12,049,129)	(5,629,265)
Sale of tangible fixed assets	-	-
Sale of players	8,540,725	4,086,470
Net cash outflow	<u>(4,990,486)</u>	<u>(2,487,083)</u>

	2010 £	2009 £
Financing		
Repayment of loans	(21,982)	(19,112)
Capital element of finance lease rental payments	(22,879)	22,390
Net cash outflow	<u>(44,861)</u>	<u>(41,502)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

26. ANALYSIS OF NET FUNDS

	At 1 June 2009 £	Cash flow £	At 31 May 2010 £
Cash at bank and in hand	16,436,907	9,353,466	25,790,372
Mortgage loan	(313,076)	21,982	(291,094)
Finance leases	(26,032)	22,879	(3,153)
Net funds	<u>16,097,799</u>	<u>9,398,327</u>	<u>25,496,126</u>

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

	2010 £	1009 £
Increase/(decrease) in cash	9,353,466	(4,628,308)
Cash inflow from decrease in debt and lease financing	44,861	41,502
Change in net funds resulting from cash flows	9,398,327	(4,586,806)
Net funds at beginning of year	<u>16,097,799</u>	<u>20,684,605</u>
Net funds at end of year	<u>25,496,126</u>	<u>16,097,799</u>

28. FINANCIAL COMMITMENTS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Capital commitments				
Contracted for but not provided	<u>2,079,215</u>	<u>2,016,215</u>	<u>-</u>	<u>-</u>

Operating lease commitments

The Group has no land and building operating leases

Annual commitments under non cancellable other operating leases are as follows

	Group	
	2010 £	2009 £
Leases which expire		
Within one year	16,911	6,288
Within one to two years	13,176	-
Within two to five years	2,525	13,476
	<u>32,612</u>	<u>19,764</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 May 2010

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 £131,491 (2009 - £89,855).

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 £997,694 (2009 - £523,790) resulting in a profit on sale of £902,164 (2009 - profit of £4,183,771). In addition, the company has acquired players' registrations with a value of £17,607,136 (2009 - £18,580,254) since the balance sheet date.