

Company Registration No. 2487393

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

**Report and Financial Statements**

**31 May 2008**

THURSDAY



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COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS 2008**

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**REPORT AND FINANCIAL STATEMENTS 2008**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J D Moxey  
S P Morgan OBE (appointed 9 August 2007)  
V W Fairclough (appointed 9 August 2007)

**SECRETARY**

R I Skirrow

**REGISTERED OFFICE**

Molineux Stadium  
Waterloo Road  
Wolverhampton  
WV1 4QR

**MAIN BANKER**

Barclays Bank PLC  
Colmore Row  
Birmingham

**AUDITORS**

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Manchester, UK

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2008.

### 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 but were very disappointed that the club failed to reach the playoffs, thus missing out on the chance of promotion to the FA Premier League, after finishing just outside the top six in the Coca Cola Championship, on goal difference alone.

As reported in last year's accounts as a "Post Balance Sheet" event, on 9th August 2007, 75% of the Company's holding company W.W. (1990) Ltd's share capital was acquired by Carden Leisure Ltd and 25% by Mr S P Morgan who was appointed Chairman on that date. Simultaneously and pro rata to these acquisition arrangements, W.W. (1990) Ltd's issued share capital was increased by a further £30,000,000. These additional shares were allocated and fully paid up in cash. The company put on record its gratitude towards former Chairman, Sir Jack Hayward and in recognition of his unique commitment asked him to remain Life President and he agreed to do so.

Revenue for this financial year increased to £18.2m (2007 - £15.9m) primarily due to the receipt of a solidarity payment from the Premier League which represented the first payment, of a new deal lasting 3 years, designed to assist those clubs who were not already benefiting from parachute payments following relegation from the Premier League. Ticketing income accounted for the balance of the increase with average league attendances being almost 23,500 against prior year levels of just under 21,000. Despite heavy investment in the squad reflecting increased player payroll and player trading costs, the net operating position still managed to exceed initially expected levels, helped by significant interest received, of just under £1m, brought about by the investment of the new funds in various Treasury deposit accounts. The Balance Sheet position at the end of the year is, in both net assets and cash terms, significantly stronger than in the previous year.

The aim remains for the football club to regain Premiership League status as soon as possible and the directors believe that given the investment in the squad the first team is a strong candidate for promotion in the 2008/9 season.

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

### RESULTS AND DIVIDENDS

The directors do not recommend the payment of a dividend (2007: £nil). The loss of the group for the year after taxation of £4,070,396 (2007 - profit of £819,790) has been transferred to reserves.

### FINANCIAL RISK MANAGEMENT

The directors have reviewed the financial risk management objectives and policies of the group and these are set out in further detail in note 22 to the financial statements.

**DIRECTORS' REPORT (continued)**

**DIRECTORS**

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

Sir Jack Hayward OBE (resigned 9 August 2007)  
D J Harrington CBE (resigned 9 August 2007)  
R A Hayward (resigned 9 August 2007)  
J G Hemingway (resigned 9 August 2007)  
J D Moxey  
S P Morgan OBE (appointed 9 August 2007)  
V W Fairclough (appointed 9 August 2007)

**DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**SECTION 234ZA OF THE COMPANIES ACT 1985**

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 s234ZA of the Companies Act 1985.

**AUDITORS**

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



23RD FEBRUARY 2009

R I Skirrow, Secretary

## 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). The financial statements are required by law to 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;

The directors are responsible for keeping proper accounting records that 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 1985. 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 group and parent company financial statements (the "financial statements") of W.W. (1990) Limited for the year ended 31 May 2008 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, the Consolidated Cash Flow Statement, the Reconciliation of Net Cash Flow to Movement in Net Debt and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### **Basis of audit opinion**

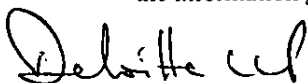
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 May 2008 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
Manchester, UK

23 February 2009

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

Year ended 31 May 2008

	Note	Operations excluding player trading £	Player amortisation and trading £	2008 £	2007 £
<b>TURNOVER</b>	1	18,151,655	-	18,151,655	15,855,089
		<u>18,151,655</u>	<u>-</u>	<u>18,151,655</u>	<u>15,855,089</u>
Other operating income	4	153,000	-	153,000	116,666
Operating expenses	5	(20,937,889)	(2,775,211)	(23,713,100)	(20,907,722)
<b>OPERATING LOSS</b>	6	(2,633,234)	(2,775,211)	(5,408,445)	(4,935,967)
Profit on disposal of players' registrations		-	348,042	348,042	6,076,123
<b>(LOSS)/PROFIT BEFORE FINANCE CHARGES</b>		<u>(2,633,234)</u>	<u>(2,427,169)</u>	<u>(5,060,403)</u>	<u>1,140,156</u>
Finance Charges (net)	7			990,007	(320,366)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				<u>(4,070,396)</u>	<u>819,790</u>
Tax on (loss)/profit on ordinary activities	8			-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>				<u>(4,070,396)</u>	<u>819,790</u>
Profit and loss account brought forward	20			(36,129,575)	(37,341,149)
Transferred from revaluation reserve	20			391,784	391,784
Profit and loss account carried forward	20			<u>(39,808,187)</u>	<u>(36,129,575)</u>

All the above results derive from continuing operations.



**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 May 2008**

	2008 £	2007 £
(Loss)/profit for the financial year	(4,070,396)	819,790
Adjustment to surplus arising on revaluation of tangible fixed assets	5,138,062	-
	<u>1,067,666</u>	<u>819,790</u>
Total recognised gains and losses in the year	<u><u>1,067,666</u></u>	<u><u>819,790</u></u>

**CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**Year ended 31 May 2008**

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	(4,070,396)	819,790
Difference between the historical cost depreciation charge and the actual depreciation charge for the year	391,784	391,784
	<u>391,784</u>	<u>391,784</u>
Historical cost (loss)/profit on ordinary activities before taxation being retained historical cost (loss)/profit for the year	<u><u>(3,678,612)</u></u>	<u><u>1,211,574</u></u>

**CONSOLIDATED BALANCE SHEET**  
**31 May 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Intangible assets	9	7,356,036	3,173,719
Tangible assets	10	47,186,312	42,850,607
		<u>54,542,348</u>	<u>46,024,326</u>
<b>CURRENT ASSETS</b>			
Stocks	12	207,350	313,103
Debtors	13	2,308,781	4,485,250
Cash at bank and in hand		21,065,215	83,241
		<u>23,581,346</u>	<u>4,881,594</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(4,914,042)</u>	<u>(6,761,665)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>18,667,304</u>	<u>(1,880,071)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		73,209,652	44,144,255
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(385,541)</u>	<u>(1,945,793)</u>
		72,824,111	42,198,462
<b>PROVISION FOR LIABILITIES</b>	16	(467,250)	(170,466)
<b>DEFERRED INCOME</b>	17	<u>(6,058,760)</u>	<u>(6,797,561)</u>
<b>NET ASSETS</b>		<u>66,298,101</u>	<u>35,230,435</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	78,000,000	48,000,000
Capital contribution reserve	20	100,000	100,000
Revaluation reserve	20	28,006,288	23,260,010
Profit and loss account - deficit	20	(39,808,187)	(36,129,575)
<b>SHAREHOLDERS' SURPLUS</b>	21	<u>66,298,101</u>	<u>35,230,435</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

23RD FEBRUARY 2009



J D Moxey  
Director

**COMPANY BALANCE SHEET**  
**31 May 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	11	14,659,997	14,659,997
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		18,001,458	-
<b>CREDITORS: amounts falling due within one year</b>	14	(1,500)	(36,501)
<b>NET CURRENT ASSETS</b>		<u>17,999,958</u>	<u>(36,501)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>32,659,955</u>	<u>14,623,496</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	78,000,000	48,000,000
Capital contribution	20	100,000	100,000
Profit and loss account - deficit	20	(45,440,045)	(33,476,504)
<b>SHAREHOLDERS' SURPLUS</b>		<u>32,659,955</u>	<u>14,623,496</u>

These financial statements were approved by the Board of Directors on  
 Signed on behalf of the Board of Directors

23<sup>RD</sup> FEBRUARY 2009



J D Moxey  
 Director

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 May 2008****1. ACCOUNTING POLICIES**

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

**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. 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.

**Taxation**

Current taxation is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets and liabilities are not discounted.

**Depreciation and tangible fixed assets**

Depreciation of tangible fixed assets is calculated to write off their cost or valuation less any residual value on a straight line basis over their estimated useful lives at annual rates as follows:

Stadium development	2%
Training facilities	2%
Car Park	2%
Plant and equipment	10%
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. Remaining assets are carried at historical cost, net of depreciation and any provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**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.

Goodwill amounting to £1,659,999 (2007 - £1,659,999) relating to prior periods was historically written off against the profit and loss reserve as a matter of accounting policy and remains eliminated against that reserve. This amount will be charged or credited in the profit and loss account on any subsequent disposal of the associated business. Any future goodwill, will be capitalised in the balance sheet and amortised over its useful life.

**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 16). 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.

**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.

**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.

**2. CONSOLIDATED FINANCIAL STATEMENTS**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss (see note 20) for the financial year amounted to £11,963,541 (2007 – profit of £525,669). The company's loss for the year was increased by £12,929,443 (2007 – profit of £535,814) due to movements in provisions which are made against intercompany receivables.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2008 £	2007 £
<b>Directors' emoluments</b>		
Remuneration	328,227	314,902
Pension contributions	56,008	53,596
	<u>384,235</u>	<u>368,498</u>
<b>Highest paid director</b>		
Remuneration	328,227	312,902
Pension contributions	56,008	53,596
	<u>384,235</u>	<u>366,498</u>
	2008 No.	2007 No.
<b>Average number of persons employed</b>		
Playing staff	54	45
Non Playing staff	209	207
	<u>263</u>	<u>252</u>

Included in the above are an average of 101 (2007 – 96) members of staff who were employed on a part time basis.

	2008 £	2007 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	12,322,074	10,371,488
Social security costs	1,444,277	1,199,088
Pension costs	93,384	93,317
	<u>13,859,735</u>	<u>11,663,893</u>

The number of directors who were members of a defined contribution scheme in the year was one (2007 – 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.

**4. OTHER OPERATING INCOME**

	2008 £	2007 £
Rent receivable	<u>153,000</u>	<u>116,666</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**5. OPERATING EXPENSES**

	2008	2007
	£	£
<b>Operating expenses comprise:</b>		
Depreciation of owned assets	1,144,115	1,150,443
Depreciation of leased assets	82,868	76,975
Amortisation of players' registrations	2,775,211	2,388,072
Deferred grant income	(58,731)	(64,225)
	<u>3,943,463</u>	<u>3,551,265</u>
Staff costs (note 3)	13,859,735	11,663,893
Other operating charges	5,909,902	5,692,564
	<u>23,713,100</u>	<u>20,907,722</u>

**6. OPERATING LOSS**

	2008	2007
	£	£
<b>Operating loss is stated after charging:</b>		
Auditors' remuneration		
Audit fees – Annual audit of the Company's accounts	1,500	1,500
Audit fees – The audit of the company's subsidiaries pursuant to legislation	24,250	24,250
Non-audit fees – Tax services	8,650	16,240
Operating leases		
Hire of plant and machinery	8,356	18,862
Hire of assets other than plant and machinery	70,301	76,869
	<u>70,301</u>	<u>76,869</u>

**7. FINANCE CHARGES (NET)**

	2008	2007
	£	£
<b>Interest receivable</b>	1,094,111	22,772
	<u>1,094,111</u>	<u>22,772</u>
<b>Interest payable and similar charges</b>		
Bank interest	66,745	308,581
Interest paid on finance leases	4,334	8,233
Mortgage Interest	33,025	26,324
	<u>104,104</u>	<u>343,138</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**8. 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 £31.2 million (2007 - £28.8 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 £9.2 million (2007: £8.7 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 30% (2007:30%).

The differences are explained below:	2008 £	2007 £
(Loss)/profit on ordinary activities before tax	(4,070,396)	819,790
Tax on (loss)/profit on ordinary activities at standard rate of 30% (2007 – 30%)	(1,207,515)	245,937
<b>Factors affecting charge:</b>		
Expenses not deductible for tax purposes	261,689	294,342
Non-taxable income	(18,240)	(22,757)
Movement in short term timing differences	-	-
Capital allowances in excess of depreciation	115,594	(64,137)
Other short term differences	12,122	-
Creation of tax losses	1,122,901	56,600
Utilisation of tax losses	(159,203)	(503,670)
Group relief not paid for	(127,348)	(6,315)
	<u>-</u>	<u>-</u>

The Chancellor's Budget announced proposed changes to the future rate of corporation tax to reduce the rate to 28% (2007: 30%) with effect from April 2008. The Finance Bill was approved by the House of Commons on 26 June 2007 and will therefore have an effect on future tax charges.

**9. INTANGIBLE FIXED ASSETS**

The Group	Players' registrations £
<b>Cost</b>	
At 1 June 2007	9,655,604
Additions	7,642,195
Disposals	(4,131,208)
At 31 May 2008	<u>13,166,591</u>
<b>Amortisation</b>	
At 1 June 2007	6,481,885
Charge for the year	2,775,211
Disposals	(3,446,541)
At 31 May 2008	<u>5,810,555</u>
<b>Net book value</b>	
At 31 May 2008	<u>7,356,036</u>
At 31 May 2007	<u>3,173,719</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**10. 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 2007	36,676,665	5,144,970	2,859,262	619,050	3,305,177	48,605,124
Additions	4,442	79,493	137,023	-	235,642	456,600
Disposals	-	-	(368,388)	-	(633,539)	(1,001,927)
Revaluations	2,568,893	146,537	-	-	-	2,715,430
At 31 May 2008	39,250,000	5,371,000	2,627,897	619,050	2,907,280	50,775,227
<b>Accumulated depreciation</b>						
At 1 June 2007	1,465,354	119,611	1,781,408	45,377	2,342,767	5,754,517
Charge for the year	733,588	104,079	174,177	12,381	202,758	1,226,983
Disposals	-	-	(341,763)	-	(628,190)	(969,953)
Adjustment on revaluations	(2,198,942)	(223,690)	-	-	-	(2,422,632)
At 31 May 2008	-	-	1,613,822	57,758	1,917,335	3,588,915
<b>Net book value</b>						
At 31 May 2008	39,250,000	5,371,000	1,014,075	561,292	989,945	47,186,312
At 31 May 2007	35,211,311	5,025,359	1,077,854	573,673	962,410	42,850,607

Included within training facilities are long term leases with a net book value of £412,500 (2007: £422,500). The depreciation on these leased assets was £10,000 (2007: £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 2008 the net book value determined according to the historical cost convention would be £12,277,682 (cost of £17,559,795 less accumulated depreciation of £5,282,113).

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 2008 the net book value of the total training facilities determined according to the historical cost convention would be £4,054,149 (cost of £4,440,682 less accumulated depreciation of £386,533).

All other tangible fixed assets are stated at historical cost.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**11. INVESTMENTS HELD AS FIXED ASSETS**

<b>The Company</b>	<b>Shares in subsidiaries £</b>
<b>Cost and net book value</b>	
At 1 June 2007 and 31 May 2008	<u>14,659,997</u>

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

<b>Subsidiary undertakings</b>	<b>Activity</b>
Wolverhampton Wanderers F.C. (1986) Limited	Football Club
Wolverhampton Wanderers Properties Limited	Property company

**12. STOCKS**

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Goods held for resale	<u>207,350</u>	<u>313,103</u>

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

**13. DEBTORS**

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,421,588	3,373,458
Other debtors	49,858	165,768
Prepayments and accrued income	837,335	946,024
	<u>2,308,781</u>	<u>4,485,250</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdraft (note 18)	-	1,800,000	-	-
Mortgage loan (note 18)	17,996	16,974	-	-
Obligations under finance leases (note 18)	22,390	57,599	-	-
Trade creditors	752,798	636,537	-	-
Other taxation and social security	1,007,143	1,390,393	-	-
Other creditors	3,113,715	2,860,162	1,500	36,501
	<u>4,914,042</u>	<u>6,761,665</u>	<u>1,500</u>	<u>36,501</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan (note 18)	-	1,400,000	-	-
Mortgage loan (note 18)	314,192	326,085	-	-
Other creditors	45,317	182,407	-	-
Obligations under finance leases (note 18)	26,032	37,301	-	-
	<u>385,541</u>	<u>1,945,793</u>	<u>-</u>	<u>-</u>

**16. PROVISION FOR LIABILITIES**

**The Group**

	<b>£</b>
<b>Contingent appearance fees (see note 1)</b>	
Balance at 1 June 2007	170,466
Capitalised as players' registrations	413,000
Utilised in the year	<u>(116,216)</u>
Balance at 31 May 2008	<u>467,250</u>

The company had no provisions for liabilities in either period.

**17. DEFERRED INCOME**

<b>The Group</b>	<b>Advance</b>	<b>Deferred</b>	<b>Total</b>
	<b>revenue</b>	<b>grant</b>	
	<b>£</b>	<b>income</b>	<b>£</b>
At 1 June 2007	4,896,103	1,901,458	6,797,561
Amounts received in the year	4,118,678	-	4,118,678
Transfer to profit and loss account	<u>(4,798,748)</u>	<u>(58,731)</u>	<u>(4,857,479)</u>
At 31 May 2008	<u>4,216,033</u>	<u>1,842,727</u>	<u>6,058,760</u>

The company had no deferred income in either period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**18. BORROWINGS**

Borrowings are repayable as follows:

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Bank loans and overdrafts:				
In one year or less or on demand	-	1,800,000	-	-
In more than one year but not more than two years	-	800,000	-	-
In more than two years but not more than five years	-	600,000	-	-
Mortgage:				
In one year or less or on demand	17,996	16,974	-	-
In more than one year but not more than two years	19,449	18,379	-	-
In more than two years but not more than five years	68,287	65,126	-	-
In more than five years	226,456	242,580	-	-
Obligations under finance leases:				
In one year or less or on demand	22,390	57,599	-	-
In more than one year but not more than two years	22,879	13,333	-	-
In more than two years but not more than five years	3,153	23,968	-	-
	<u>380,610</u>	<u>3,637,959</u>	<u>-</u>	<u>-</u>

The mortgage loan is secured on the car parks at Molineux, and incurs interest at 7.79%.

**19. CALLED UP SHARE CAPITAL**

	2008 £	2007 £
Called up, allotted and fully paid 78,000,000 (2007: 48,000,000) ordinary shares of £1 each	<u>78,000,000</u>	<u>48,000,000</u>
Authorised 80,000,000 (2007: 50,000,000) ordinary shares of £1 each	<u>80,000,000</u>	<u>50,000,000</u>

**20. RESERVES**

	Group and Company Capital contribution reserve	Group Revaluation reserve	Profit and loss account	Company Profit and loss account
	£	£	£	£
At 1 June 2007	100,000	23,260,010	(36,129,575)	(33,476,504)
Loss for the year	-	-	(4,070,396)	(11,963,541)
Revaluation reserve adjustment	-	5,138,062	-	-
Transfer between reserves	-	(391,784)	391,784	-
At 31 May 2008	<u>100,000</u>	<u>28,006,288</u>	<u>(39,808,187)</u>	<u>(45,440,045)</u>

As part of the change in ownership of WW (1990) Ltd, Wend Investments Ltd agreed to the waiving of £100,000 of an inter-company loan due to that company. This led to a capital contribution reserve of £100,000 being created.

The cumulative amount of goodwill on acquisition written off to reserves is as stated in note 1.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**21. RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' SURPLUS**

	2008	2007
	£	£
Opening shareholders' surplus	35,230,435	34,310,645
Increase in issued share capital	30,000,000	-
Increase in revaluation reserve	5,138,062	-
(Loss)/profit for the financial year	(4,070,396)	819,790
Capital Contribution	-	100,000
	<u>66,298,101</u>	<u>35,230,435</u>
Closing shareholders' surplus	<u>66,298,101</u>	<u>35,230,435</u>

**22. 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 out 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.

**Liquidity & Cashflow Risk**

A large part of our seasonal business is paid upfront ahead of fixtures taking place through our Early Bird Scheme on both ticketing and corporate business. Any fluctuations in cashflow 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.

**Credit Risk**

As most of our business is either paid for in advance of the season (if 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**23. FINANCIAL COMMITMENTS**

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
<b>Capital commitments</b>				
Contracted for but not provided	465,000	760,295	-	-

**Operating lease commitments**

The Group has no land and building operating leases. At 31 May 2008, the Group was committed to making the following payments during the next year in respect of other operating leases:

	Group	
	2008	2007
	£	£
Leases which expire:		
Within one year	5,002	3,061
Within one to two years	2,600	17,299
Within two to five years	1,706	2,600
	9,308	22,960

**24. CONTINGENT LIABILITIES**

In addition to amounts provided in note 16, 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 £2,670,000 (2007 - £1,117,500).

The company was party to an unlimited, supported cross guarantee with its subsidiary undertakings and given in favour of its bankers. The company's potential liability under this cross guarantee at 31 May 2008 is £nil (2007 - £1,400,000).

**25. PENSIONS**

Certain staff of the company 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 1 April 2006, an MFR deficit was identified in the scheme, of which £57,638 was allocated to Wolverhampton Wanderers resulting in a continuation of contributions advised by the Actuary. The total pension cost for the year was £93,384 (2007 - £93,317).

**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 Carden Group Ltd and Bridgemere UK plc.

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 the relevant companies registered offices.

Bridgemere Investments Limited is controlled by the Trustees of the Trinity Trust.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 2008**

**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 £2,414,041 (2007 - £954,632) resulting in a profit on sale of £4,357,153 (2007 - profit of £218,555). In addition, the company has acquired players' registrations with a value of £6,629,392 (2007 - £7,288,272) since the balance sheet date.