

**WOLVERHAMPTON WANDERERS
FOOTBALL CLUB (1986) LIMITED**

Report and Financial Statements

For the year ended 31 May 2011



WOLVERHAMPTON WANDERERS FC (1986) LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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WOLVERHAMPTON WANDERERS FC (1986) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S P Morgan OBE (Chairman)

J D Moxey

J Gough

J F Bowater

R C Laslett

SECRETARY

R I Skirrow

REGISTERED OFFICE

Molineux Stadium

Waterloo Road

Wolverhampton

WV1 4QR

MAIN BANKER

Barclays Bank PLC

Birmingham

AUDITOR

Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester, United Kingdom

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2011

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was that of a professional football club

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the financial results of their second season back in the Premier League to be satisfactory. This performance further strengthens an already strong Balance Sheet which shows the group to be in a very healthy financial position. Turnover for the year increased to £64.4m (2009/10 - £60.6m), reflecting the benefit of the new 3 year Premier League television agreement and other central rights deals and sponsorships. Although ticket revenue decreased slightly, due to a marginally lower average League match attendance (27,695 compared to the prior year 28,366), commercial areas, on the whole, produced a growth in revenues apart from Merchandising, which was affected by the general, economic downturn in the retail sector. Operating costs were higher than the previous year's primarily because of higher player payroll costs. The higher amortisation charge on player trading as well as a reduced profit on player disposals resulted in an increased net loss on player trading of £7.9m (2009/10 - loss of £5.1m), compared to the prior year. The company's primary aim is to retain its Premier League status.

FINANCIAL RISK MANAGEMENT

The company'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 prior year and regular profit and loss projections and cash flow forecasts.

Price risk

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

Liquidity and cash flow risk

A large part of the seasonal business is paid for ahead of fixtures taking place, through the Early Bird Scheme on both ticketing and corporate business. Major fluctuations in cash 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. As part of this policy, an operational change was made to facilitate cash availability within the group.

Cash flows are prepared and managed on a monthly basis.

Credit risk

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

DIRECTORS' REPORT (continued)

GOING CONCERN

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

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

POST BALANCE SHEET EVENTS

Details of post-year end trading are set out in note 22 to the financial statements

DIVIDENDS AND TRANSFERS TO RESERVES

The profit for the financial year of £9,163,000 has been transferred to reserves (2010 – profit of £16,290,000 transferred to reserves) No dividend will be paid (2010 – same)

DIRECTORS

The directors of the company who served during the year and thereafter were as follows

S P Morgan OBE (Chairman)
J D Moxey
J Gough
J F Bowater
R C Laslett

DIRECTORS' INDEMNITIES

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

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the company continues and that appropriate training is arranged. It is the policy of the company 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 company 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

DIRECTORS' REPORT (continued)

CHARITABLE DONATIONS

During the year the company made charitable donations of £5,206 (2010 - £12,799) with the main beneficiary being Wolves Community Trust

AUDITOR


Each of the persons who are directors at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

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

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

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



R I Skirrow
Secretary

28th February 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting 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 that 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON WANDERERS FC (1986) LIMITED

We have audited the financial statements of Wolverhampton Wanderers FC (1986) Limited for the year ended 31 May 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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 BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

28 February 2012

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 2011

	Note	Operations excluding player trading £'000	Player trading £'000	2011 £'000	2010 £'000
TURNOVER	1,2	64,401	-	64,401	60,644
OPERATING PROFIT/(LOSS)	4	17,107	(9,291)	7,816	11,909
Profit on disposal of players' registrations		-	1,324	1,324	4,370
PROFIT/(LOSS) BEFORE FINANCE CHARGES		17,107	(7,967)	9,140	16,279
Finance income (net)	5			23	11
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				9,163	16,290
Tax on profit on ordinary activities	6			-	-
PROFIT FOR THE FINANCIAL YEAR	17,18			9,163	16,290

All 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.

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

BALANCE SHEET

As at 31 May 2011

	Note	£'000	2011 £'000	£'000	2010 £'000
FIXED ASSETS					
Intangible assets	7		22,117		17,238
Tangible assets	8		2,438		2,525
			<u>24,555</u>		<u>19,763</u>
CURRENT ASSETS					
Stocks	9	404		224	
Debtors	10	16,933		15,455	
Cash at bank and in hand		25,474		2,610	
		<u>42,811</u>		<u>18,289</u>	
CREDITORS: amounts falling due within one year	11	<u>(10,525)</u>		<u>(12,917)</u>	
NET CURRENT ASSETS			<u>32,286</u>		<u>5,372</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			56,841		25,135
CREDITORS: amounts falling due after more than one year	12		<u>(32,820)</u>		<u>(9,213)</u>
			24,021		15,922
PROVISION FOR LIABILITIES	14		(242)		(494)
DEFERRED INCOME	15		<u>(5,570)</u>		<u>(6,382)</u>
NET ASSETS			<u>18,209</u>		<u>9,046</u>
CAPITAL AND RESERVES					
Called up share capital	16		3,000		3,000
Capital contribution reserve	17		26,830		26,830
Profit and loss account	17		<u>(11,621)</u>		<u>(20,784)</u>
SHAREHOLDERS' FUNDS	18		<u>18,209</u>		<u>9,046</u>

These financial statements of Wolverhampton Wanderers FC (1986) Limited, registered number 1989823, were approved by the Board of Directors and authorised for issue on 28th February 2012

Signed on behalf of the Board of Directors



J B Moxey

Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2011

1. ACCOUNTING POLICIES

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

Going concern

For the purposes of assessing going concern, the directors are aware of dependency of each entity within the W W (1990) Limited group. Accordingly, the directors are cognisant of the following going concern disclosures presented in the group accounts for W W (1990) Limited.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of Developments and Future Prospects. The review 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 and in accordance with applicable United Kingdom accounting standards.

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.

Short life equipment	20%
Plant and equipment	10%
Motor vehicles	20%
Fixtures and fittings	12.5%

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

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. If the likelihood of meeting these criteria is not probable no provision is made (see note 14).

Pensions

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

Leases and hire purchase contracts

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

Rentals paid under operating leases are charged as a straight line basis over the lease term.

Grants

Grants relating to tangible fixed assets are treated as deferred income (note 15) and released to the profit and loss account over the expected lives of the asset concerned.

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.

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

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) 'cash flow statements' on the basis that the company is a wholly owned subsidiary of W W (1990) Limited. W W (1990) Limited is a company incorporated and registered in England and Wales, which produces group financial statements in accordance with the Companies Act 2006, which include a consolidated group 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.

2. SEGMENT INFORMATION

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

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received total emoluments of £1,152,320 (2010 - £1,115,693) paid by Wolverhampton Wanderers FC (1986) Limited, but it is not practicable to allocate this 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. Only one director receives remuneration from Wolverhampton Wanderers FC (1986) Limited and this was as follows

	2011 £'000	2010 £'000
Director's remuneration		
Emoluments	1,048	1,017
Company contributions to money purchase pension schemes	104	99
	<u>1,152</u>	<u>1,116</u>

The number of directors who were members of a defined contribution scheme in the financial year was one (2010 - one)

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

Included in the above, are an average of 75 (2010 - 76) members of staff who were employed on a part time basis

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

4. OPERATING PROFIT/(LOSS)

	2011 £'000	2010 £'000
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation		
- owned assets	553	433
- leased assets	-	73
Amortisation of players' registrations	9,291	9,474
Deferred grant income (note 15)	(6)	(7)
Auditor's remuneration		
Audit fees Annual audit of the company's accounts	24	22
Non-audit fees	-	-
Operating leases		
Hire of plant and machinery	18	24
Hire of assets other than plant and machinery	123	87
	<u></u>	<u></u>

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

5 FINANCE INCOME (NET)

	2011 £'000	2010 £'000
Bank interest receivable	23	12
Finance lease interest	-	(1)
Interest payable and similar charges	-	(1)
Finance income (net)	23	11

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The company 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 £7.3m million (2010 - £16.6 million).

The potential deferred tax asset of approximately £2.4 million (2010 - £5.0 million), which arises substantially in respect of losses carried forward has not been recognised as it is not anticipated that there will be suitable taxable profits generated in the future against which the losses may be offset.

The tax assessed for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 27.67% (2010 - 28%).

The differences are explained below:

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	9,163	16,290
Tax on profit on ordinary activities at standard rate	2,535	4,561
Factors affecting charge:		
Income/expenses not deductible for tax purposes	47	(18)
Capital allowances in excess of depreciation	122	106
Other short term timing differences	(63)	(12)
Utilisation of tax losses	(2,687)	(4,677)
Group relief not paid for	14	40
Increase of tax losses	32	-
	-	-

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

7. INTANGIBLE FIXED ASSETS

	Players' registrations £'000
Cost	
At 1 June 2010	31,891
Additions	17,215
Disposals	(5,104)
At 31 May 2011	44,002
Amortisation	
At 1 June 2010	14,653
Charge for the year	9,291
Disposals	(2,059)
At 31 May 2011	21,885
Net book value	
At 31 May 2011	22,117
At 31 May 2010	17,238

8. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 June 2010	38	3,513	3,305	6,856
Additions	3	183	302	488
Disposals	-	(71)	(5)	(76)
At 31 May 2011	41	3,625	3,602	7,268
Accumulated depreciation				
At 1 June 2010	35	2,348	1,948	4,331
Charge for the year	1	278	274	553
Disposals	-	(51)	(3)	(54)
At 31 May 2011	36	2,575	2,219	4,830
Net book value				
At 31 May 2011	5	1,050	1,383	2,438
At 31 May 2010	3	1,165	1,357	2,525

The net book value of plant, equipment and motor vehicles included £nil (2010 - £176,814) in respect of assets held under finance leases and hire purchase contracts

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

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

9. STOCKS

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

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

10. DEBTORS

	2011 £'000	2010 £'000
Trade debtors	645	1,000
Amounts due from group undertakings	11,507	8,556
Other debtors	710	3,037
Prepayments and accrued income	4,071	2,862
	<u>16,933</u>	<u>15,455</u>

Debtors relating to player trading, £653,000 (2010 - £2,554,000), are included in other debtors

All debtors are due within one year

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts due under finance lease obligations (note 13)	-	3
Trade creditors	1,296	1,006
Other taxation and social security	3,700	3,503
Other creditors	5,529	8,405
	<u>10,525</u>	<u>12,917</u>

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

	2011 £'000	2010 £'000
Amounts due to group undertakings	32,204	8,702
Other creditors	616	511
	<u>32,820</u>	<u>9,213</u>

The amounts due to group undertakings have been disclosed as due after more than one year which is in line with the terms of the loan. No interest is charged on this creditor

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

13. BORROWINGS

	2011 £'000	2010 £'000
Amounts owed to group undertakings		
In more than one year but not more than two years	32,204	8,702
Obligations under finance leases		
In one year or less or on demand	-	3
	<hr/>	<hr/>
Total borrowings	32,204	8,705
Less cash at bank and in hand	(25,474)	(2,610)
	<hr/>	<hr/>
Net debt at 31 May	<u>6,730</u>	<u>6,095</u>

The finance leases were secured against the assets to which they related

14. PROVISIONS FOR LIABILITIES

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

The company may be required to pay contingent sums, dependent on the occurrence of future first team and international appearances and on field playing success of £996,000 (2010 - £347,500) at the balance sheet date

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

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

15. DEFERRED INCOME

	Advance revenue £'000	Deferred grant income £'000	Total £'000
At 1 June 2010	6,363	19	6,382
Amounts received in the year	5,550	-	5,550
Transfer to profit and loss account	(6,356)	(6)	(6,362)
	<hr/>	<hr/>	<hr/>
At 31 May 2011	<u>5,557</u>	<u>13</u>	<u>5,570</u>

16. SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised, allotted, called up and fully paid 3,000,000 ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

WOLVERHAMPTON WANDERERS FC (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

17. RESERVES

	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2010	26,830	(20,784)	6,046
Profit for the financial year	-	9,163	9,163
At 31 May 2011	26,830	(11,621)	15,209

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2011 £'000	2010 £'000
Opening shareholders' funds/(deficit)	9,046	(7,244)
Profit for the financial year	9,163	16,290
Closing shareholders' funds	18,209	9,046

19. OPERATING LEASE COMMITMENTS

The company has no land and building operating leases. At 31 May 2011 the company was committed to making the following payments during the next year in respect of other operating leases

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

20. 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 31 March 2010, an MFR deficit was identified in the scheme, of which £89,280 was allocated to Wolverhampton Wanderers resulting in a continuation of contributions advised by the Actuary. The total pension cost for the year was £147,172 (2010 - £131,491).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2011

21. PARENT UNDERTAKING

The ultimate holding company is Bridgemere Investments Limited, a company incorporated in Guernsey. The immediate parent undertaking is W W (1990) Limited, a company registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by W W (1990) Limited. Copies of these financial statements can be obtained from Companies House.

The largest group of which the company is a member and for which group financial statements are prepared is that headed by Bridgemere UK PLC. Copies of the financial statements can be obtained from the registered office of Bridgemere UK PLC, being Bridgemere House, Chester Road, Preston Brook, Cheshire, WA7 3BI.

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

22. POST BALANCE SHEET EVENTS

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