

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

Annual Report and Financial Statements

For the year ended 31 May 2015

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WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

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WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J D Moxey
J Gough
J F Bowater
A M Lewis

SECRETARY

R I Skirrow

REGISTERED OFFICE

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

MAIN BANKER

Barclays Bank PLC
15 Colmore Row
Birmingham
B3 2BH

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

STRATEGIC REPORT (continued)

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITY

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

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

In the year under review, the Club competed in the Football League Championship following promotion, as champions and with a record points total, from League 1 in May 2014. The momentum gained from that successful season was carried through to the Championship campaign and the team were ultimately unfortunate to miss out on a top six play-off place on goal difference on the final day of the 2014/15 season. Nevertheless, a 7th place finish was highly creditable.

Turnover for the year was £26.4m (2014: £32.6m), reflecting the drop of £8.9m in Premier League 'parachute' payments which was partially offset by an increase of £1.0m in Football League distributions as well as increased ticketing and commercial income.

League attendances averaged 22,423 in 2015 (2014: 20,860), including 13,998 season ticket holders (2014: 11,817) with the total net receipts increasing by £0.4m. Commercial income, including sponsorship and advertising, also increased by £1.1m.

Head Coach Kenny Jackett, supported by efforts from Head of Football Development and Recruitment Kevin Thelwell and others, completed his second year with the Club and his predominantly young squad of players produced another entertaining playing season. Player trading generated a net profit of £0.1m. A profit on disposal of players' registrations of £2.5m was almost entirely offset by player amortisation. Player purchases in the year totalled £3.5m of which the most significant was Benik Afobe, from Arsenal, during the January 2015 transfer window. Afobe had been on loan to MK Dons in the first half of the season. His goals there and the 13 he subsequently scored for the Club made him the League's overall top scorer.

Significant progress continues to be made on the restructuring of the squad since the 2013 year end and a number of players have left the club or been loaned out. A provision of £2.7m remains for onerous contracts that are ongoing. This represents the best estimate at the end of the 2014/15 season of the costs to be incurred in the continuing restructuring of the Football Club, and the directors expect that this provision will be fully utilised over the next year.

The year under review, saw the completion and official opening, in November 2014, of the indoor arena at the Compton Training Ground that will be used by the Club's Academy. The full size, 3G artificial pitch with dressing rooms, medical facilities and gym (plus offices, study rooms and canteen) confirmed the Club's continuing commitment to the recruitment and development of talented youngsters.

The aim for the Club remains to gain promotion back to the Premier League as soon as possible. The team, which continues to include a number of Academy graduates in a young squad, has had an inconsistent start to the 2015/16 season but retains the potential to, at least, be play-off contenders by the end of the season.

GOING CONCERN

The directors have concluded after making enquiries that they have a reasonable expectation that the company 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 accounting policies in note 1 of the financial statements.

FINANCIAL RISK MANAGEMENT

The Company's principal risk relates to the league in which the Club competes and the financial impact that this has on the business in terms of attendances and the funds received from central distributions made by either the Premier League or the Football League. The year under review was the third of the four years that the Club, as a recently relegated club, will be entitled to receive Premier League "parachute" distributions.

The directors have reviewed the financial risk management objectives and policies of the Group and do not consider it necessary to use hedging instruments or enter into any speculative financial instruments.

There is a comprehensive system in place for reporting financial information to the Board including the preparation of budgets for each business activity, monthly accounts comparisons to budget and the prior year and regular profit and loss projections and cash flow forecasts.

STRATEGIC REPORT (continued)

PRICE RISK

This is largely governed by the league in which the Club is competing and prices are set accordingly. The policy adopted recognises the inherent value of the fan base and core supporters and the need to grow the number of supporters following the team. By monitoring feedback and industry pricing the Club looks to offer good value for money to help achieve this objective.

LIQUIDITY AND CASH FLOW RISK

A large part of the seasonal business is paid for ahead of fixtures taking place, through the 'Early Bird' schemes on both ticketing and corporate business. Major fluctuations in cash flow during the season will usually only arise through player transactions during the transfer window periods. Match-to-match business is largely dependent upon attendance levels and team performances.

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 W.W. (1990) Group, of which the Club is an integral company, continues to demonstrate effective working capital management with sufficient headroom to accommodate any seasonal fluctuations. Cash flows are prepared and managed on a monthly basis but monitored on a daily basis to the satisfaction of the directors and shareholders.

OWNERSHIP

In October 2015, Mr Steve Morgan OBE, the Club's Chairman and owner since 2007, announced that he was standing down as Chairman and would be seeking a new owner for the Club. Recognising that this could take some time to conclude, he has given a commitment to continue to support the Club up until the point of sale.

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



R I Skirrow
Secretary
25th November 2015

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2015.

POST BALANCE SHEET EVENTS

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

DIVIDENDS AND RESERVES

The profit for the financial year of £2,423,000 has been credited to reserves (2014: £10,093,000). The directors are unable to recommend payment of a dividend (2014: same).

DIRECTORS

The directors of the company who served during the year and thereafter, except as noted below, were as follows:

S P Morgan OBE (Resigned 12 October 2015)

J D Moxey

J Gough

J F Bowater

A M Lewis (Appointed 12 October 2015)

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.

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

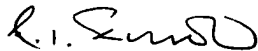
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

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

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



R I Skirrow
Secretary
25th November 2015

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

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 FOOTBALL CLUB (1986) LIMITED

We have audited the financial statements of Wolverhampton Wanderers Football Club (1986) Limited for the year ended 31 May 2015 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2015 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 Strategic Report and 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.



Scott Bayne FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

26 November 2015

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 May 2015

	Note	Operations excluding player trading £'000	Player trading £'000	2015 £'000	2014 £'000
TURNOVER	1,2	26,392	-	26,392	32,555
Operating expenses	4	(25,014)	(2,412)	(27,426)	(26,859)
OPERATING PROFIT/(LOSS)		1,378	(2,412)	(1,034)	5,696
Release of a fundamental restructuring provision	5	901	-	901	501
Profit on disposal of players' registrations	5	-	2,535	2,535	3,882
PROFIT BEFORE NET FINANCE INCOME	5	2,279	123	2,402	10,079
Net finance income				21	14
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				2,423	10,093
Tax on profit on ordinary activities	6			-	-
PROFIT FOR THE FINANCIAL YEAR	17,18			2,423	10,093

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 FOOTBALL CLUB (1986) LIMITED

BALANCE SHEET

As at 31 May 2015

	Note	£'000	2015 £'000	2014 £'000
FIXED ASSETS				
Intangible assets	7		4,238	3,713
Tangible assets	8		2,637	2,554
			<u>6,875</u>	<u>6,267</u>
CURRENT ASSETS				
Stocks	9	327		236
Debtors	10	44,167		44,549
Cash at bank and in hand		996		6,929
		<u>45,490</u>		<u>51,714</u>
CREDITORS: amounts falling due within one year	11	(6,277)		(7,966)
NET CURRENT ASSETS			<u>39,213</u>	<u>43,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>46,088</u>	<u>50,015</u>
CREDITORS: amounts falling due after more than one year	12		(32,858)	(32,919)
			<u>13,230</u>	<u>17,096</u>
PROVISION FOR LIABILITIES	14		(2,977)	(9,774)
DEFERRED INCOME	15		(4,207)	(3,699)
NET ASSETS			<u>6,046</u>	<u>3,623</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		(23,784)	(26,207)
SHAREHOLDER'S FUNDS	18		<u>6,046</u>	<u>3,623</u>

These financial statements of Wolverhampton Wanderers FC (1986) Limited, registered number 01989823, were approved by the Board of Directors and authorised for issue on 25th November 2015.

Signed on behalf of the Board of Directors



J D Moxey
Director

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2015

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 the inter-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 strategic report above. This includes an overview of the group's financial position, its cash flows, liquidity position and borrowing facilities. In addition there is a description of the group's policies and procedures to manage their principal risks and uncertainties.

In ensuring that the group has sufficient liquid resources to meet its liabilities as they fall due, the directors have reviewed in detail the business' cash flow projections. After taking account of a possible downturn in results and performance, these projections indicate that the group has sufficient available resources to operate for the foreseeable future.

The directors have obtained a letter from Bridgemere UK PLC, the immediate parent company, which confirms their intention to meet all of the obligations of the Group, to the extent they may be unable to meet those obligations themselves, for a period of not less than one year from the date of the signing of the financial statements.

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."

The directors have obtained a letter from W.W. (1990) Limited, the immediate parent company, which confirms their intention to meet all of the obligations, to the extent they are unable to meet those obligations themselves, for a period of not less than one year from the date of the signing of the financial statements.

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 League distributions, gate 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.

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.

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 May 2015

1. ACCOUNTING POLICIES (continued)

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%

Intangible fixed assets

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

Rentals paid under operating leases are charged on a straight line basis to the profit and loss account over the lease term, even if the payments are not made on such a basis.

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.

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.

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

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 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. Deferred tax is measured on a non-discounted basis.

Cash flow

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with FRS 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 FRS 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	2015 £'000	2014 £'000
Gate receipts	5,622	5,250
Sponsorship and advertising	3,063	2,227
Broadcasting rights	450	195
Commercial	3,606	3,323
League distributions	12,550	20,385
Other turnover	1,101	1,175
Total	26,392	32,555

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received total emoluments of £505,000 (2014: £489,000) 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 (2014: same) and this was as follows:

	2015 £'000	2014 £'000
Director's remuneration		
Emoluments	430	417
Company contributions to money purchase pension schemes	75	72
	505	489

The number of directors who were members of a defined contribution scheme in the financial year was one (2014: one).

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2015 No.	2014 No.
Average number of persons employed (including directors)		
Playing staff	66	67
Non-playing staff	182	171
	<u>248</u>	<u>238</u>

Included in the above, is an average of 75 (2014: 66) members of staff who were employed on a part time basis.

	2015 £'000	2014 £'000
Staff costs during the year (including directors)		
Wages and salaries	15,654	14,348
Social security costs	1,875	1,782
Pension costs	128	277
	<u>17,657</u>	<u>16,407</u>

4. OPERATING EXPENSES

	2015 £'000	2014 £'000
Operating expenses comprise:		
Depreciation of owned assets (note 8)	655	683
Depreciation of leased assets (note 8)	9	-
Amortisation of players' registrations (note 7)	2,412	2,141
	<u>3,076</u>	<u>2,824</u>
Staff costs (note 3)	17,657	16,407
Other operating charges	6,693	7,628
	<u>27,426</u>	<u>26,859</u>

5. PROFIT BEFORE NET FINANCE INCOME

	2015 £'000	2014 £'000
Profit before net finance income is stated after charging/(crediting):		
Depreciation		
- owned assets	655	683
- leased assets	9	-
Amortisation of players' registrations	2,412	2,141
Exceptional restructuring credit	(901)	(501)
Profit on disposal of player registrations	(2,535)	(3,882)
Profit on disposal of fixed assets	(4)	(36)
Deferred grant income	-	(1)
Auditor's remuneration		
Audit fees: Annual audit of the company's financial statements	28	22
Non-audit fees - tax advisory services	8	8
Operating leases		
Hire of plant and machinery	32	41
Hire of assets other than plant and machinery	104	114

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

5. PROFIT BEFORE NET FINANCE INCOME (continued)

The exceptional restructuring credit is in respect of the programme initiated by the Board following the second successive relegation of the football club in 2013, which includes net restructuring provision credit of £901,000 (2014: £1,549,000) (note 14), and the impairment of player registrations of £nil (2014: £1,048,000) (note 7).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The company has no liability for taxation due to the availability of tax losses brought forward which have been offset against taxable profits. The company has tax losses remaining to carry forward of £16,070,000 (2014: £19,495,000).

The tax assessed for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 20.83% (2014: 22.67%).

The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	2,423	10,093
Tax on profit on ordinary activities at standard rate	505	2,288
Factors affecting charge:		
Expenses not deductible for tax purposes	26	20
Capital allowances less than depreciation	120	136
Other short term timing differences	11	-
Utilisation of tax losses	(681)	(2,466)
Transfer pricing adjustment	19	22
	<u>-</u>	<u>-</u>

The potential deferred tax asset of £4,255,000 (2014: £4,774,000), which arises largely in respect of losses carried forward, has not been recognised as it is not anticipated that there will be sufficient taxable profits of the right classification generated in the future against which the losses may be offset.

	2015 £'000	2014 £'000
Unutilised losses	3,214	3,895
Accelerated capital allowances	950	830
Other timing differences	91	49
Unrecognised deferred tax asset	<u>4,255</u>	<u>4,774</u>

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

7. INTANGIBLE FIXED ASSETS

	Players' registrations £'000
Cost	
At 1 June 2014	35,781
Additions	3,465
Disposals	(20,951)
At 31 May 2015	18,295
Amortisation	
At 1 June 2014	32,068
Charge for the year	2,412
Disposals	(20,423)
At 31 May 2015	14,057
Net book value	
At 31 May 2015	4,238
At 31 May 2014	3,713

8. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 June 2014	85	4,124	5,138	9,347
Additions	-	232	527	759
Disposals	-	-	(89)	(89)
At 31 May 2015	85	4,356	5,576	10,017
Accumulated depreciation				
At 1 June 2013	64	3,316	3,413	6,793
Charge for the year	10	221	433	664
Disposals	-	-	(77)	(77)
At 31 May 2015	74	3,537	3,769	7,380
Net book value				
At 31 May 2015	11	819	1,807	2,637
At 31 May 2014	21	808	1,725	2,554

Included within plant and equipment are assets held under finance lease with a net book value of £107,000 (2014: £nil). At the balance sheet date the depreciation recognised on these assets was £9,000 (2014: £nil).

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

9. STOCKS

	2015 £'000	2014 £'000
Goods held for resale	327	236

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

10. DEBTORS

	2015 £'000	2014 £'000
Trade debtors	449	355
Due from W.W. Group undertakings	40,397	37,051
Other debtors	1,085	4,306
Prepayments and accrued income	2,236	2,837
	<u>44,167</u>	<u>44,549</u>

Debtors relating to player trading of £203,000 (2014: £3,858,000), are included in other debtors.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Amounts due on finance leases	18	-
Trade creditors	926	820
Other taxation and social security	1,516	1,433
Other creditors and accruals	3,817	5,713
	<u>6,277</u>	<u>7,966</u>

The amounts due on finance leases are secured on the assets to which they relate and will be fully settled within 5 years.

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

	2015 £'000	2014 £'000
Amounts due on finance leases	66	-
Due to W.W. Group undertakings	32,596	32,608
Other creditors	196	311
	<u>32,858</u>	<u>32,919</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.

The amounts due on finance leases are secured on the assets to which they relate and will be fully settled within 5 years.

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

13. BORROWINGS

	2015 £'000	2014 £'000
Due to W.W. Group undertakings:		
In more than one year but not more than two years	32,596	32,608
Amounts due on finance leases:		
Within one year	18	-
In more than one year but not more than two years	20	-
In more than two years but not more than five years	46	-
 Total borrowings	 32,680	 32,608
Less cash at bank and in hand	(996)	(6,929)
 Net debt at 31 May	 <u>31,684</u>	 <u>25,679</u>

14. PROVISIONS FOR LIABILITIES

	Contingent appearance fees £'000	Restructuring provision £'000	Total £'000
Balance at 1 June 2014	380	9,394	9,774
Created in the year	215	111	326
Released in the year	(238)	(1,012)	(1,250)
Utilised in the year	(112)	(5,761)	(5,873)
 Balance at 31 May 2015	 <u>245</u>	 <u>2,732</u>	 <u>2,977</u>

In addition, 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 £3,114,000 (2014: £2,143,000) at the balance sheet date.

The restructuring provision is in respect of the restructuring programme initiated by the Board following the second successive relegation of the football club in 2013. The club expects that the provision will be fully utilised within one year.

At the year end, amounts payable in respect of player trading were £2,230,000 (2014: £3,366,000) and are included within other creditors. Amounts receivable were £203,000 (2014: £3,858,000) and are included within other debtors.

15. DEFERRED INCOME

	Advance revenue £'000
At 1 June 2014	3,699
Amounts received in the year	4,196
Transfer to profit and loss account	(3,688)
 At 31 May 2015	 <u>4,207</u>

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

16. SHARE CAPITAL

	2015 £'000	2014 £'000
Allotted, called up and fully paid 3,000,000 ordinary shares of £1 each	3,000	3,000

17. RESERVES

	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2014	26,830	(26,207)	623
Profit for the financial year	-	2,423	2,423
At 31 May 2015	26,830	(23,784)	3,046

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015 £'000	2014 £'000
Opening shareholder's funds/(deficit)	3,623	(6,470)
Profit for the financial year	2,423	10,093
Closing shareholder's funds	6,046	3,623

19. FINANCIAL COMMITMENTS

Operating lease commitments

The company has no land and building operating leases. At 31 May 2015 the company was committed to making the following payments during the next year in respect of other operating leases:

	2015 £'000	2014 £'000
Leases which expire:		
Within one year	4	1
Within one to two years	88	5
Within two to five years	36	34
	128	40

Capital commitments

	2015 £'000	2014 £'000
Contracted for but not provided - fixtures and fittings	270	-

WOLVERHAMPTON WANDERERS FOOTBALL CLUB (1986) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

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 August 2011, an MFR deficit was identified in the scheme, of which £194,331 is attributable to Wolverhampton Wanderers at 31 May 2014, resulting in a continuation of contributions advised by the Actuary. The outstanding element of this cost is reflected in the total pension cost for the year of £128,000 (2014: £277,000).

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 3BD.

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 player registrations recorded as intangible assets with a value at the balance sheet date of £203,916 (2014: £688,000). In addition, the company has acquired player registrations with a value of £4,194,219 (2014: £1,526,000) since the balance sheet date. Also, since the balance sheet date, the company has recognised a profit on sales of player registrations £2,264,262 (2014: £2,333,000).