Company Registration No. 2487393

W. W. (1990) LIMITED

Report and Financial Statements

31 May 2003

REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir Jack Hayward OBE - Chairman
D J Harrington CBE - Deputy Chairman
R A Hayward
J G Hemingway
P V S F Manduca
J D Moxey

SECRETARY

R I Skirrow

REGISTERED OFFICE

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2003.

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

During the year, the company maintained an interest in the share capital of Wolverhampton Wanderers (1986) Limited and Wolverhampton Wanderers Properties Limited. The directors consider the financial result for the year to be satisfactory and on the playing side are delighted that the football club achieved promotion back to the top flight of English football after nineteen years. The directors regard the group's future prospects as good. The immediate aim is to maintain Premier League status at the end of the 2003/2004 season. However, if relegated, the directors believe the football club is capable of being a strong candidate for immediate promotion back to the Premier League in the following season. Details of post year end player trading are set out in note 28 to the accounts.

RESULTS AND DIVIDENDS

The directors do not recommend the payment of a dividend. The loss of the group for the year after taxation of £9,211,539 (2002 - £4,476,119) has been transferred from reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequently are listed below. Those in office at the year end and their beneficial and family interests in the shares of the company were:

	Ordinary shares of £1 each	
	2003	**2002**
Sir Jack Hayward OBE	-	-
D J Harrington CBE	-	-
R A Hayward	-	-
J G Hemingway	-	-
V C M Lister (resigned 17 January 2004)	-	-
P V S F Manducca	-	-
J D Moxey	-	-

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to reappoint Deloitte & Touche 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

W. W. (1990) LIMITED

We have audited the financial statements of W W (1990) Limited for the year ended 31 May 2003 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the 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 28. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the accounts, concerning the need for continued financial and operational support from Wend Investments Limited. In view of this continuing requirement, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 May 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

26 March 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 May 2003

	Note	Operations excluding player trading £	Player trading £	2003 £	2002 £
TURNOVER					
Before exceptional items		16,996,879	-	16,996,879	16,087,596
Exceptional release of ITV Digital funds from deferred income		-	-	-	740,000
		16,996,879	-	16,996,879	16,827,596
Operating expenses (net)	4	(21,711,430)	(4,861,924)	(26,573,354)	(21,107,252)
OPERATING LOSS	5	(4,714,551)	(4,861,924)	(9,576,475)	(4,279,656)
Profit/(loss) on disposal of players' registrations		-	632,737	632,737	(299,773)
LOSS BEFORE INTEREST AND TAXATION		(4,714,551)	(4,229,187)	(8,943,738)	(4,579,429)
Interest receivable				186	168,785
Interest payable and similar charges	6			(267,987)	(65,475)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(9,211,539)	(4,476,119)
Tax on loss on ordinary activities	7			-	-
LOSS FOR THE FINANCIAL YEAR				(9,211,539)	(4,476,119)
Profit and loss account brought forward	19			(35,318,632)	(30,953,506)
Transferred from revaluation reserve	19			193,885	110,993
Profit and loss account carried forward	19			(44,336,286)	(35,318,632)

All results derive from continuing operations.

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 May 2003

	2003 £	2002 £
Loss for the financial year	(9,211,539)	(4,476,119)
Surplus arising on revaluation of tangible fixed assets	-	6,423,335
Total recognised gains and losses for the year	(9,211,539)	1,947,216

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 May 2003

	2003 £	2002 £
Loss on ordinary activities before taxation	(9,211,539)	(4,476,119)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year	193,885	110,993
Historical cost loss on ordinary activities before taxation being retained historical cost loss for the year	(9,017,654)	(4,365,126)

CONSOLIDATED BALANCE SHEET
31 May 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible assets	8	9,596,844	13,002,613
Tangible assets	9	29,220,487	29,052,661
		38,817,331	42,055,274
CURRENT ASSETS			
Stocks	11	197,046	152,071
Debtors	12	1,336,735	1,924,334
Cash at bank and in hand		-	788,214
		1,533,781	2,864,619
CREDITORS: amounts falling due within one year	13	(14,454,805)	(10,828,142)
NET CURRENT LIABILITIES		(12,921,024)	(7,963,523)
TOTAL ASSETS LESS CURRENT LIABILITIES		25,896,307	34,091,751
CREDITORS: amounts falling due after more than one year	14	(39,222,410)	(37,357,987)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(78,750)	(359,625)
		(13,404,853)	(3,625,861)
DEFERRED INCOME	16	(8,249,554)	(8,817,007)
		(21,654,407)	(12,442,868)
CAPITAL AND RESERVES			
Called up share capital	18	10,000,000	10,000,000
Revaluation reserve	19	12,681,879	12,875,764
Profit and loss account - deficit	19	(44,336,286)	(35,318,632)
EQUITY SHAREHOLDERS' DEFICIT	20	(21,654,407)	(12,442,868)

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 12th March 2004.

Signed on behalf of the Board of Directors

R A Hayward

Director

COMPANY BALANCE SHEET
31 May 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Investments	10	14,659,997	14,659,997
CURRENT ASSETS			
Debtors	12	270	270
CREDITORS: amounts falling due within one year	13	(8,210)	(6,710)
NET CURRENT LIABILITIES		(7,940)	(6,440)
TOTAL ASSETS LESS CURRENT LIABILITIES		14,652,057	14,653,557
CREDITORS: amounts falling due after more than one year	14	(38,705,615)	(34,870,615)
		(24,053,558)	(20,217,058)
CAPITAL AND RESERVES			
Called up share capital	18	10,000,000	10,000,000
Profit and loss account - deficit	19	(34,053,558)	(30,217,058)
EQUITY SHAREHOLDERS' DEFICIT		(24,053,558)	(20,217,058)

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 12th March 2004.

Signed on behalf of the Board of Directors

R A Hayward

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 2003

	Note	2003 £	2002 £
Net cash (outflow) / inflow from operating activities	21	(3,938,341)	2,391,459
Returns on investments and servicing of finance	22	(267,801)	103,310
Capital expenditure and financial investment	22	(826,956)	(6,871,955)
Cash outflow before use of liquid resources and financing		(5,033,098)	(4,377,186)
Financing	22	3,734,021	22,066
Decrease in cash in the year		(1,299,077)	(4,355,120)

Reconciliation of net cash flow to movement in net debt	23	2003 £	2002 £
Decrease in cash in the year		(1,299,077)	(4,355,120)
Cash inflow from change in debt and lease financing		(3,734,021)	(22,066)
Change in net debt resulting from cash flows		(5,033,098)	(4,377,186)
New finance leases		(13,800)	(184,871)
Movement in net debt		(5,046,898)	(4,562,057)
Net debt at 1 June 2002		(37,868,706)	(33,306,649)
Net debt at 31 May 2003		(42,915,604)	(37,868,706)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of the stadium redevelopment.

Basis of preparation and going concern

The Group has an overdraft facility with the Co-operative Bank plc which, without additional funding, it is forecast to exceed, at certain times, within the 12 month period following the signing of the financial statements for the year ended 31 May 2003.

Therefore, in order to remain within the facility, the Group depends on the ongoing financial and operational support of Wend Investments Limited, who have financially supported the Group for a number of years. Despite the public announcement by the Chairman regarding his, and ultimately Wend Investments intention to seek new investors, Wend Investments Limited has committed to provide such support as is necessary. Therefore, the directors are of the opinion that this will enable the Group to operate within its available facilities and meet its obligations as they fall due.

The financial statements have therefore been prepared on the going concern basis which assumes that the company and its subsidiaries will continue in operational existence for the foreseeable future and do not include any adjustments that might be required if this funding did not continue.

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 generated in the UK).

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Stadium development	2% per annum on a straight line basis
Training facilities	2% per annum on a straight line basis
Plant and equipment	10% per annum on a straight line basis
Motor vehicles	20% per annum on a straight line basis
Fixtures and fittings	12.5% per annum on a straight line basis

The Group has entered into a policy of regular revaluation of the stadium development. This is deemed to be a separate class of asset from training facilities which are carried at historical cost.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

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 (2002 - £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 the subsequent disposal of the associated business. Any future goodwill, will be capitalised in the balance sheet and amortised over its useful life.

Deferred taxation

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.

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.

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.

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.

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 15). If the likelihood of meeting these criteria is not probable no provision is made (see note 25).

Investments

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

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 19) for the financial year amounted to £3,836,500 (2002 - £81,002). The company's loss for the year was increased by £3,858,235 (2002 – charge of £20,615) due to movements in provisions which are made against intercompany receivables.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003 £	2002 £
Directors' emoluments		
Remuneration	285,552	285,625
Pension contributions	26,000	26,000
	311,552	311,625
Highest paid director		
Remuneration	277,552	277,625
Pension contributions	26,000	26,000
	303,552	303,625

	No	No
Average number of persons employed		
Administration staff	139	125
Playing staff	54	55
	193	180

Included in the above are an average of 52 (2002 – 48) members of staff who were employed on a part time basis.

Staff costs during the year (including directors)	2003 £	2002 £
Wages and salaries	13,619,550	10,269,124
Social security costs	1,502,858	1,109,598
Pension costs - including exceptional pension charges of £30,550 (2002 - £nil)	88,700	54,052
	15,211,108	11,432,774

The number of directors who were members of a defined contribution scheme in the year was one (2002 – one).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

4. OPERATING EXPENSES (NET)

Operating expenses (net) comprise:	2003 £	2002 £
Staff costs (note 3)	15,211,108	11,432,774
Depreciation of owned assets	770,252	711,959
Depreciation of leased assets	53,609	32,505
Amortisation of players' registrations	4,492,119	4,067,440
Provision for impairment of players' registrations	369,805	-
Deferred grant income	(58,799)	(62,665)
Depreciation, provision for impairment and other amortisation of tangible and intangible fixed assets	5,626,986	4,749,239
Other operating charges	6,167,260	4,925,239
Other operating income	(432,000)	-
Operating expenses	26,573,354	21,107,252

5. OPERATING LOSS

Operating loss is stated after charging/(crediting):	2003 £	2002 £
Auditors' remuneration		
Audit fees - Group	22,500	22,500
Audit fees - Company	1,500	1,500
Non-audit fees	10,425	24,225
Operating leases		
Hire of plant and machinery	8,107	13,149
Hire of assets other than plant and machinery	72,636	73,554
(Profit)/loss on sale of tangible fixed assets	(855)	2,302

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank interest	238,473	43,767
On finance leases	29,514	21,708
	267,987	65,475

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

7. TAX ON LOSS ON ORDINARY ACTIVITIES

The group has no liability for taxation owing due to the availability of tax losses carried forward. The tax losses carried forward, subject to the agreement of the tax authorities, amount to approximately £38.5 million (2002 - £30.0 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 £11.5 million (2002: £9.0 million), which arises substantially in respect of losses carried forward, is not expected to be recoverable in the forseeable future. No provision has been made as it is not anticipated that there will be taxable profits available in the forseeable future against which the losses may be offset. In addition, deferred tax has not been provided on revaluations of fixed assets. This tax (estimated at £2.9 million) will only be payable if the assets are sold and rollover relief is not obtained.

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK of 30% (2002:30%).

The differences are explained below:

	2003 £	2002 £
Loss on ordinary activities before tax	(9,211,539)	(4,476,119)
Tax on loss on ordinary activities at standard rate of 30% (2002 – 30%)	2,763,462	1,342,836
Factors affecting charge:		
Expenses not deductible for tax purposes	(289,069)	(156,935)
Non-taxable income	23,150	-
Capital allowances in excess of depreciation	20,442	24,237
Utilisation of tax losses	(2,511,543)	(1,242,151)
Movement in short term timing differences	(6,442)	2,130
Other deferred tax movements	-	29,883
	-	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

8. INTANGIBLE FIXED ASSETS

The Group	Players' registrations £
Cost	
At 1 June 2002	17,865,588
Additions	1,456,155
Disposals	(180,005)
At 31 May 2003	19,141,738
Amortisation	
At 1 June 2002	4,862,975
Charge for the year	4,492,119
Provision for impairment	369,805
Disposals	(180,005)
At 31 May 2003	9,544,894
Net book value	
At 31 May 2003	9,596,844
At 31 May 2002	13,002,613

The provision for impairment has been charged in the year to reduce the book value of individual player registrations to their estimated recoverable amount.

9. TANGIBLE FIXED ASSETS

The Group	Stadium development £	Training facilities £	Plant equipment and motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 June 2002	27,150,000	842,024	1,767,338	1,937,600	31,696,962
Additions	475,984	375,831	94,621	46,557	992,993
Disposals	-	-	(9,378)	-	(9,378)
At 31 May 2003	27,625,984	1,217,855	1,852,581	1,984,157	32,680,577
Accumulated depreciation					
At 1 June 2002	-	48,799	1,007,821	1,587,681	2,644,301
Charge for the year	544,778	23,131	153,776	102,176	823,861
Disposals	-	-	(8,072)	-	(8,072)
At 31 May 2003	544,778	71,930	1,153,525	1,689,857	3,460,090
Net book value					
At 31 May 2003	27,081,206	1,145,925	699,056	294,300	29,220,487
At 31 May 2002	27,150,000	793,225	759,517	349,919	29,052,661

Included within training facilities are long term leases with a net book value of £462,500 (2002: £472,500).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

The net book value of fixed assets includes £422,476 (2002 - £462,285) in respect of assets held under finance leases and hire purchase contracts.

The stadium development was valued at £27.15 million, on a depreciated replacement cost basis, by Dunlop Heywood Lorenz, Consultant Surveyors, at 31 May 2002. This valuation has been incorporated in these accounts. At 31 May 2003 the carrying value determined according to the historical cost convention is £13,923,117 (cost of £17,455,750 less accumulated depreciation of £3,532,633). The directors are of the opinion that there has been no material change to the value of the stadium development and therefore no interim valuation has been performed, as at 31 May 2003.

All other tangible fixed assets are stated at historical cost.

10. INVESTMENTS HELD AS FIXED ASSETS

The Company	**Shares in subsidiaries £**
Cost and net book value	
At 1 June 2002 and 31 May 2003	14,659,997

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

Subsidiary undertakings	**Activity**
Wolverhampton Wanderers F.C. (1986) Limited	Football Club
Wolverhampton Wanderers Properties Limited	Property company

11. STOCKS

	Group		**Company**	
	2003 £	**2002 £**	**2003 £**	**2002 £**
Goods held for resale	197,046	152,071	-	-

12. DEBTORS

	Group		**Company**	
	2003 £	**2002 £**	**2003 £**	**2002 £**
Trade debtors	424,618	441,323	-	-
Other debtors	352,461	1,109,486	270	270
Prepayments and accrued income	559,656	373,525	-	-
	1,336,735	1,924,334	270	270

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank overdraft (secured)	3,906,638	3,395,775	-	-
Obligations under finance leases (note 17)	111,059	98,710	-	-
Trade creditors	602,866	571,016	-	-
Other taxation and social security	1,100,402	1,007,603	-	-
Other creditors	4,708,391	5,085,700	-	-
Accruals	4,025,449	669,338	8,210	6,710
	14,454,805	10,828,142	8,210	6,710

The bank overdraft is secured by a fixed and floating charge over certain assets of companies within the Group.

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

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Amounts owed to ultimate parent undertaking	38,705,615	34,870,615	38,705,615	34,870,615
Other creditors	250,000	2,137,500	-	-
Accruals	74,503	58,052	-	-
Obligations under finance leases (note 17)	192,292	291,820	-	-
	39,222,410	37,357,987	38,705,615	34,870,615

The amounts due to group undertakings are interest free and repayable on demand. However, the directors have confirmed the terms of the support by group companies and therefore the loans are treated as long-term liabilities.

15. PROVISIONS FOR LIABILITIES AND CHARGES

The Group

Contingent appearance fees (see note 1)	**£**
Balance at 1 June 2002	359,625
Utilised in the year	(280,875)
Balance at 31 May 2003	78,750

It is anticipated that the balance of this provision will be utilised during the financial year ending 31 May 2004.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

16. DEFERRED INCOME

The Group	Advance revenue £	Deferred grant income £	Total £
At 1 June 2002	6,809,940	2,007,067	8,817,007
Amounts received in the year	2,979,248	10,763	2,990,011
Transfer to profit and loss account	(3,498,665)	(58,799)	(3,557,464)
At 31 May 2003	6,290,523	1,959,031	8,249,554

17. BORROWINGS

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Bank overdraft:				
In one year or less or on demand	3,906,638	3,395,775	-	-
Amounts owed to ultimate parent undertaking:				
In more than one year but not more than two years	38,705,615	34,870,615	38,705,615	34,870,615
Obligations under finance leases:				
In one year or less or on demand	111,059	98,710	-	-
In more than one year but not more than two years	102,342	109,001	-	-
In more than two years but not more than five years	89,950	182,819	-	-
After more than five years	-	-	-	-
	42,915,604	38,656,920	38,705,615	34,870,615

18. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised, called up, allotted and fully paid		
10,000,000 Ordinary shares of £1 each	10,000,000	10,000,000

19. RESERVES

	Group		Company
	Revaluation Reserve £	Profit and loss account £	Profit and loss account £
At 1 June 2002	12,875,764	(35,318,632)	(30,217,058)
Loss for the year	-	(9,211,539)	(3,836,500)
Transfer between reserves	(193,885)	193,885	-
At 31 May 2003	12,681,879	(44,336,286)	(34,053,558)

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 2003

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2003 £	2002 £
Opening shareholders' deficit	(12,442,868)	(14,390,084)
Increase in revaluation reserve	-	6,423,335
Loss for the financial year	(9,211,539)	(4,476,119)
Closing shareholders' deficit	(21,654,407)	(12,442,868)

21. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES AFTER TRANSFER FEES

	2003 £	2002 £
Operating loss	(9,576,475)	(4,279,656)
Depreciation	823,861	744,464
Amortisation of players' registrations	4,492,119	4,067,440
Provision for impairment of players' registrations	369,805	-
(Profit) /loss on sale of tangible fixed assets	(855)	2,302
Amortisation of deferred grant income	(58,799)	(62,665)
(Increase) / decrease in stocks	(44,975)	142,417
Decrease / (increase) in debtors	587,599	(194,141)
(Decrease) / increase in creditors and deferred income	(249,746)	1,750,378
(Decrease) / increase in provision	(280,875)	220,920
Net cash (outflow) / inflow from operating activities	(3,938,341)	2,391,459

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest receivable and other similar income	186	168,785
Interest paid	(238,473)	(43,767)
Interest element of finance lease rental payments	(29,514)	(21,708)
Net cash (outflow) / inflow for returns on investments and servicing of finance	(267,801)	103,310
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(981,462)	(523,653)
Receipts from sale of tangible fixed assets	2,161	3,000
Payments to acquire intangible fixed assets	(91,155)	(8,575,285)
Receipts from sales of intangible fixed assets	232,737	2,215,189
Grant income received	10,763	8,794
Net cash outflow from capital expenditure and financial investment	(826,956)	(6,871,955)
Financing		
Increase in loan from ultimate parent company	3,835,000	81,000
Capital element of finance lease rental payments	(100,979)	(58,934)
Net cash inflow from financing	3,734,021	22,066

23. ANALYSIS OF NET DEBT

	At 1 June 2002	Cash Flow	Other non cash items	At 31 May 2003
	£	£	£	£
Cash in hand and at bank/(overdraft)	(2,607,561)	(1,299,077)	-	(3,906,638)
Loan from ultimate parent company	(34,870,615)	(3,835,000)	-	(38,705,615)
Finance leases	(390,530)	100,979	(13,800)	(303,351)
	(37,868,706)	(5,033,098)	(13,800)	(42,915,604)

Other non cash items are represented by new finance leases with a capital value at inception of £13,800 (2002: £184,871).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2003

24. FINANCIAL COMMITMENTS

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Capital commitments				
Contracted for but not provided	-	273,000	-	-

Operating lease commitments
At 31 May 2003, the Group was committed to making the following payments during the next year in respect of operating leases:

	Group	
	2003	2002
	£	£
Leases which expire:		
Within one to two years	11,219	19,478
Within two to five years	2,133	13,658
	13,352	33,136

25. CONTINGENT LIABILITIES

In addition to amounts provided in note 15, the group may be required to pay contingent sums, dependent on the occurrence of future first team and international appearances and on field playing success, of £316,000 (2002 - £1,433,000) at the balance sheet date.

The company is 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 2003 is £3,906,638 (2002 : £2,607,561).

26. PENSIONS

Certain staff of the group are members of either the Football League Limited Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. As the group 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.

At 1 April 2003, an MFR deficit was identified in the scheme, of which £90,855 was allocated to Wolverhampton Wanderers representing an increase in contributions advised by the Actuary. The total pension cost for the year was £88,700 (2002 - £54,052).

27. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Wend Investments Limited, a company incorporated in the Bahamas.

28. POST BALANCE SHEET EVENTS

Since the year end, the group has sold players' registrations recorded as intangible assets with a value at the balance sheet date of £728,905 (2002 - £nil) resulting in a profit on sale of £156,014 (2002 - £117,500). In addition, the group has acquired players' registrations with a value of £5,007,434 (2002 - £nil) since the balance sheet date.