

W. W. (1990) LIMITED

Report and Financial Statements

31 May 2001



**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**

REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir Jack Hayward OBE (Chairman)
D J Harrington CBE (Deputy Chairman)
R A Hayward
J G Hemingway
V C M Lister
P V S F Manduca (appointed 19 October 2000)
J D Moxey (appointed 19 June 2000)

SECRETARY

R I Skirrow

REGISTERED OFFICE

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

AUDITORS

Deloitte & Touche
Chartered Accountants
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2001.

ACTIVITIES

The principal activity of the group during the year was the provision of football and other related activities

REVIEW OF DEVELOPMENTS

During the year, the company maintained an interest in the share capital of Wolverhampton Wanderers (1986) Limited, Wolverhampton Wanderers Properties Limited and Wolvesnet Limited. The directors consider the result for the year to be satisfactory given that the club did not achieve Premier League status. This remains the primary aim of the group. Details of post year end player trading are set out in note 26 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 £3,124,499 (2000 - profit of £1,554,240) has been transferred from reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequently are listed on page 1 of the accounts. 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	
	2001	2000
	or date of	or date of
	appointment	appointment
Sir Jack Hayward OBE	-	-
D J Harrington CBE	-	-
R A Hayward	-	-
J G Hemingway	-	-
V C M Lister	-	-
P V S F Manducca	-	-
J D Moxey	-	-

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them 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

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.



AUDITORS' REPORT TO THE MEMBERS OF

W. W. (1990) LIMITED

We have audited the financial statements on pages 5 to 21 which have been prepared under the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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.

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 2001 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

7 December 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 May 2001

	Note	Operations excluding player amortisation and trading £	Player amortisation and trading £	2001 £	2000 (As restated) £
TURNOVER	1	10,489,554	-	10,489,554	11,158,886
Operating expenses	5	(13,624,003)	(2,714,546)	(16,338,549)	(15,766,930)
OPERATING LOSS	6	(3,134,449)	(2,714,546)	(5,848,995)	(4,608,044)
Exceptional profit on disposal of fixed asset investments		47,239	-	47,239	-
Profit on disposal of players' registrations		-	2,356,616	2,356,616	6,024,222
(LOSS)/PROFIT BEFORE INTEREST AND TAXATION		<u>(3,087,210)</u>	<u>(357,930)</u>	(3,445,140)	1,416,178
Interest receivable				330,379	204,465
Interest payable	7			(9,738)	(66,403)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				(3,124,499)	1,554,240
Tax on (loss)/profit on ordinary activities	8			-	-
(LOSS)/ PROFIT FOR THE FINANCIAL YEAR				(3,124,499)	1,554,240
Profit and loss account brought forward				(27,940,000)	(29,605,233)
Transferred from revaluation reserve				110,993	110,993
Profit and loss account carried forward				<u>(30,953,506)</u>	<u>(27,940,000)</u>

All activities derive from continuing operations.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 May 2001

	2001 £	2000 £
(Loss)/profit on ordinary activities before taxation	(3,124,499)	1,554,240
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	110,993	110,993
Historical cost (loss)/profit on ordinary activities before taxation being retained historical cost (loss)/profit for the year	<u>(3,013,506)</u>	<u>1,665,233</u>

CONSOLIDATED BALANCE SHEET

31 May 2001

	Note	2001 £	2000 (As restated) £
FIXED ASSETS			
Intangible assets	9	6,737,077	5,786,022
Tangible assets	10	22,670,568	23,107,357
Investments	11	-	4,188
		<u>29,407,645</u>	<u>28,897,567</u>
CURRENT ASSETS			
Stocks	12	294,488	186,742
Debtors	13	2,390,749	4,369,821
Cash at bank and in hand		1,747,559	962,768
		<u>4,432,796</u>	<u>5,519,331</u>
CREDITORS: amounts falling due within one year	14	<u>(4,329,398)</u>	<u>(4,423,183)</u>
NET CURRENT ASSETS		<u>103,398</u>	<u>1,096,148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,511,043</u>	<u>29,993,715</u>
CREDITORS: amounts falling due after more than one year	15	<u>(35,925,274)</u>	<u>(38,282,408)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(138,705)</u>	<u>(297,965)</u>
		<u>(6,552,936)</u>	<u>(8,586,658)</u>
ACCRUALS AND DEFERRED INCOME	18	<u>(7,837,148)</u>	<u>(2,678,927)</u>
		<u>(14,390,084)</u>	<u>(11,265,585)</u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000,000	10,000,000
Revaluation reserve	20	6,563,422	6,674,415
Profit and loss account - deficit	20	<u>(30,953,506)</u>	<u>(27,940,000)</u>
EQUITY SHAREHOLDERS' DEFICIT	21	<u>(14,390,084)</u>	<u>(11,265,585)</u>

These financial statements were approved by the Board of Directors on 3rd December 2001

Signed on behalf of the Board of Directors


 Sir Jack Hayward

Director

COMPANY BALANCE SHEET

31 May 2001

	Note	2001 £	2000 (As restated) £
FIXED ASSETS			
Investments	11	<u>14,659,999</u>	<u>14,659,999</u>
CURRENT ASSETS			
Debtors	13	270	270
CREDITORS: amounts falling due within one year	14	<u>(6,710)</u>	<u>(25,881)</u>
NET CURRENT LIABILITIES		<u>(6,440)</u>	<u>(25,611)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,653,559	14,634,388
CREDITORS: amounts falling due after more than one year	15	<u>(34,789,615)</u>	<u>(38,111,553)</u>
		<u>(20,136,056)</u>	<u>(23,477,165)</u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000,000	10,000,000
Profit and loss account - deficit	20	<u>(30,136,056)</u>	<u>(33,477,165)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(20,136,056)</u>	<u>(23,477,165)</u>

These financial statements were approved by the Board of Directors on 3rd December 2001

Signed on behalf of the Board of Directors



Sir Jack Hayward

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 2001

	Note	2001 £	2000 £
Cash flow from operating activities	(i)	1,922,478	(1,544,561)
Returns on investments and servicing of finance	(ii)	320,641	138,062
Capital expenditure and financial investment	(ii)	2,026,047	(977,368)
Cash inflow/(outflow) before use of liquid resources and financing		<u>4,269,166</u>	<u>(2,383,867)</u>
Financing	(ii)	<u>(3,484,375)</u>	<u>3,114,211</u>
Increase in cash in the year		<u><u>784,791</u></u>	<u><u>730,344</u></u>

Reconciliation of net cash flow to movement in net debt	(iii)	2001 £	2000 £
Increase in cash in the year		784,791	730,344
Cash outflow/(inflow) from change in debt and lease financing		<u>3,484,375</u>	<u>(3,114,211)</u>
Change in net debt resulting from cash flows		<u>4,269,166</u>	<u>(2,383,867)</u>
New finance leases		<u>(225,000)</u>	<u>-</u>
Movement in net debt		<u>4,044,166</u>	<u>(2,383,867)</u>
Net debt at 1 June		<u>(37,350,815)</u>	<u>(34,966,948)</u>
Net debt at 31 May		<u><u>(33,306,649)</u></u>	<u><u>(37,350,815)</u></u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 May 2001

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

	2001 £	2000 £
Operating loss	(5,848,995)	(4,608,044)
Depreciation	756,090	832,816
Amortisation of players' registrations	2,714,546	2,032,450
Loss on sale of tangible fixed assets	13,620	24,732
Amortisation of deferred grant income	(61,934)	(62,814)
(Increase)/decrease in stocks	(107,746)	180,325
(Increase)/decrease in debtors	(135,372)	9,700
Increase/(decrease) in creditors and deferred income	4,751,529	(142,316)
(Decrease)/increase in provision	(159,260)	188,590
Net cash inflow/(outflow) from operating activities	1,922,478	(1,544,561)

(ii) ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest receivable and other similar income	330,379	204,465
Interest paid	-	(52,945)
Interest element of finance lease rental payments	(9,738)	(13,458)
Net cash inflow for returns on investments and servicing of finance	320,641	138,062
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(138,082)	(581,521)
Receipts from sale of tangible fixed assets	30,163	11,292
Payments to acquire intangible fixed assets	(5,114,444)	(4,446,225)
Receipts from sales of intangible fixed assets	7,196,983	3,996,184
Grant income received	-	42,902
Receipts from sale of fixed asset investment	51,427	-
Net cash inflow/(outflow) for capital expenditure and financial investment	2,026,047	(977,368)
Net cash (outflow)/inflow from financing		
(Decrease)/increase in loan from ultimate parent company	(3,467,342)	3,150,000
Capital element of finance lease rental payments	(17,033)	(35,789)
Net cash (outflow)/inflow from financing	(3,484,375)	3,114,211

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 2001

(iii) ANALYSIS OF NET DEBT

	At 1 June 2000 £	Cash Flow £	Other non cash items £	At 31 May 2001 £
Cash in hand and at bank	962,768	784,791	-	1,747,559
Loan from ultimate parent company	(38,256,957)	3,467,342	-	(34,789,615)
Finance leases	(56,626)	17,033	(225,000)	(264,593)
	<u>(37,350,815)</u>	<u>(4,269,166)</u>	<u>(225,000)</u>	<u>(33,306,649)</u>

Other non cash items are represented by new finance leases with a capital value at inception of £225,000.

NOTES TO THE ACCOUNTS**Year ended 31 May 2001****1. ACCOUNTING POLICIES**

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

Accounting convention

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

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 income 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% on a straight line basis
Long term lease	2% on a straight line basis
Plant and equipment	10% on a straight line basis
Motor vehicles	20% on a straight line basis
Fixtures and fittings	12.5% on a straight line basis

The carrying value of the stadium development has been frozen and is carried at modified historical cost as permitted by the transitional rules in the first year of application of FRS 15 "Tangible fixed assets".

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.

Intangible fixed assets and goodwill

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts.

Goodwill amounting to £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 on the liability methods in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

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.

NOTES TO THE ACCOUNTS**Year ended 31 May 2001****1. ACCOUNTING POLICIES (continued)****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.

Contingent appearance fees

Where the directors consider the likelihood of a player meeting future appearance criteria laid down in the transfer agreement of that player to be probable, provision for this cost is made (see note 16). If the likelihood of meeting these criteria is not probable no provision is made (see note 23).

Investments

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

2. PRIOR YEAR ADJUSTMENTS

- (i) To accord with industry best accounting practice, operating expenses of £13,734,480 shown in the year ended 31 May 2000 have been restated to include amortisation of players' registrations of £2,032,450 which was previously stated separately on the face of the profit and loss account.
- (ii) In order to ensure comparability of corresponding amounts and improve disclosure of deferred income, amounts previously accounted for as creditors falling due within and after one year, have been reclassified as accruals and deferred income. This results in an increase in accruals and deferred income at 31 May 2000 of £2,678,927 and a corresponding decrease in creditors falling due within one year of £617,973 and in creditors falling due after more than one year of £2,060,954. See also note 18.
- (iii) At the current and previous year end the ultimate parent undertaking formally agreed that, for the foreseeable future, it would continue financial support and that it would not seek repayment of amounts due for at least twelve months from the date of signing the financial statements. In order to reflect this £38,256,957 (£38,111,573 company) has been reclassified at 31 May 2000 from creditors falling due within one year to creditors falling due after more than one year.

None of the above adjustments has any effect on current or prior year profit before or after tax.

3. 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 accounts. The parent company's profit (see note 20) for the financial year amounted to £3,341,109 (2000 - loss of £3,174,226). Of the company's profit for the year £3,352,623 (2000 - loss of £3,113,108) arises from movements in provisions which were made against intercompany receivables in a previous year.

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001 £	2000 £
Directors' emoluments		
Directors' remuneration	195,445	89,211
Other pension costs	16,500	13,200
	<u> </u>	<u> </u>
	No	No
Average number of persons employed		
Administration staff	137	163
Playing staff	55	51
	<u> </u>	<u> </u>
	192	214
	<u> </u>	<u> </u>

Included in the above are an average of 46 (2000 – 63) members of staff who were employed on a part time basis.

	2001 £	2000 £
Staff costs during the year (including directors)		
Wages and salaries	7,768,047	7,093,797
Social security costs	820,445	753,037
Pension costs (including exceptional pension charge of £108,000 – see note 24)	145,687	26,564
	<u> </u>	<u> </u>
	8,734,179	7,873,398
	<u> </u>	<u> </u>

The number of directors who were members of a defined contribution scheme in the year was 1 (2000 - 1).

5. OPERATING EXPENSES

	2001 £	2000 £
Operating expenses comprise:		
Staff costs (note 4)	8,734,179	7,873,398
Depreciation of owned assets	737,456	818,806
Depreciation of leased assets	18,634	14,010
Amortisation of players	2,714,546	2,032,450
Deferred grant income	(61,934)	(62,814)
	<u> </u>	<u> </u>
Depreciation and other amortisation of tangible and intangible fixed assets	3,408,702	2,802,452
	<u> </u>	<u> </u>
Other operating charges	4,195,668	5,091,080
	<u> </u>	<u> </u>
Operating expenses	16,338,549	15,766,930
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

6. OPERATING LOSS

	2001 £	2000 £
Operating loss is stated after charging:		
Auditors' remuneration		
Audit fees - Group	22,500	22,500
Audit fees - Company	1,500	1,500
Non-audit fees	18,808	3,300
Operating leases		
Hire of plant and machinery	25,764	25,362
Hire of assets other than plant and machinery	84,978	81,757
Loss on sale of tangible fixed assets	13,620	24,732
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank interest	-	52,945
On finance leases	9,738	13,458
	<u> </u>	<u> </u>
	9,738	66,403
	<u> </u>	<u> </u>

8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The group has no liability for taxation owing to the availability of tax losses carried forward. The tax losses carried forward, subject to the agreement of the tax authorities, amount to approximately £26 million (2000 - £24 million).

9. INTANGIBLE FIXED ASSETS

The Group	Players' registrations £
Cost	
At 1 June 2000	10,633,337
Additions	6,391,524
Disposals	(5,598,790)
	<u> </u>
At 31 May 2001	11,426,071
Amortisation	
At 1 June 2000	4,847,315
Charge for the year	2,714,546
Disposals	(2,872,867)
	<u> </u>
At 31 May 2001	4,688,994
Net book value	
At 31 May 2001	<u> </u> 6,737,077
At 31 May 2000	<u> </u> 5,786,022

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

10. TANGIBLE FIXED ASSETS

The Group	Stadium development £	Long term lease £	Plant equipment and motor vehicles £	Fixtures And fittings £	Total £
Cost or valuation					
At 1 June 2000	23,007,828	450,000	1,283,060	1,824,509	26,565,397
Additions	6,933	-	287,606	68,543	363,082
Disposals	-	-	(70,050)	-	(70,050)
At 31 May 2001	23,014,761	450,000	1,500,616	1,893,052	26,858,429
Accumulated depreciation					
At 1 June 2000	1,378,253	9,000	758,376	1,312,411	3,458,040
Charge for the year	460,266	9,000	138,653	148,171	756,090
Disposals	-	-	(26,269)	-	(26,269)
At 31 May 2001	1,838,519	18,000	870,760	1,460,582	4,187,861
Net book value					
At 31 May 2001	21,176,242	432,000	629,856	432,470	22,670,568
At 31 May 2000	21,629,575	441,000	524,684	512,098	23,107,357

The net book value of fixed assets includes £290,655 (2000 - £97,860) in respect of assets held under finance leases and hire purchase contracts.

The stadium development was valued at £22.9 million, on a depreciated replacement cost basis, by Dunlop Heywood & Co., Chartered Surveyors, at 31 May 1997 and this value has been incorporated in these accounts. At 31 May 2001 the comparable amount determined according to the historical cost convention is £14,612,820 (Cost of £17,467,091 less accumulated depreciation of £2,854,271).

All other tangible fixed assets are stated at historical cost.

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

11. INVESTMENTS HELD AS FIXED ASSETS

(a)	The Group	£
	Cost and net book value	
	At 1 June 2000	4,188
	Disposal	(4,188)
		<hr/>
	At 31 May 2001	-
		<hr/>
(b)	The Company	Shares in subsidiaries £
	Cost and net book value	
	At 1 June 2000 and 31 May 2001	14,659,999
		<hr/>

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

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

12. STOCKS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Goods held for resale	294,488	186,742	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

13. DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	519,159	421,501	-	-
Other debtors	1,475,360	3,589,044	270	270
Prepayments and accrued income	396,230	359,276	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,390,749	4,369,821	270	270
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	(As restated)			
	£	£	£	£
Obligations under finance leases (note 17)	58,934	31,175	-	-
Trade creditors	453,040	889,505	-	-
Other taxation and social security	502,824	380,870	-	-
Other creditors	2,732,154	2,428,981	-	-
Accruals	582,446	692,652	6,710	25,881
	<u>4,329,398</u>	<u>4,423,183</u>	<u>6,710</u>	<u>25,881</u>

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

	Group		Company	
	2001	2000	2001	2000
	(As restated)			
	£	£	£	£
Amounts owed to ultimate parent undertaking (note 2 (iii))	34,789,615	38,256,957	34,789,615	38,111,553
Other creditors	930,000	-	-	-
Obligations under finance leases (note 17)	205,659	25,451	-	-
	<u>35,925,274</u>	<u>38,282,408</u>	<u>34,789,615</u>	<u>38,111,553</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

Contingent appearance fees (see note 1)	£
Balance at 1 June 2000	297,965
Capitalised in players' registrations	177,072
Utilised in the year	<u>(336,332)</u>
Balance at 31 May 2001	<u>138,705</u>

It is anticipated that the balance in this provision will be utilised during the financial year ending 31 May 2002.

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

17. BORROWINGS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Amounts owed to ultimate parent undertaking:				
In more than one year but not more than two years	34,789,615	38,256,957	34,789,615	38,111,553
Obligations under finance leases:				
In one year or less or on demand	58,934	31,175	-	-
In more than one year but not more than two years	37,219	25,451	-	-
In more than two years but not more than five years	134,078	-	-	-
After more than five years	34,362	-	-	-
	<u>35,054,208</u>	<u>38,313,583</u>	<u>34,789,615</u>	<u>38,111,553</u>

18. ACCRUALS AND DEFERRED INCOME

	Advance revenue £	Deferred grant income £	Total £
At 1 June 2000 (as restated)	556,055	2,122,872	2,678,927
Advance revenues received	6,318,346	-	6,318,346
Transfer to operating profit	(1,098,191)	(61,934)	(1,160,125)
At 31 May 2001	<u>5,776,210</u>	<u>2,060,938</u>	<u>7,837,148</u>

19. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised, called up, allotted and fully paid 10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

20. RESERVES

	← Group → Revaluation Reserve £	Profit and loss account £	Company Profit and loss account £
At 1 June 2000	6,674,415	(27,940,000)	(33,477,165)
(Loss)/retained profit for the year	-	(3,124,499)	3,341,109
Transfer between reserves	(110,993)	110,993	-
At 31 May 2001	<u>6,563,422</u>	<u>(30,953,506)</u>	<u>(30,136,056)</u>

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

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIENCY

	2001 £	2000 £
Opening shareholders' funds:	(11,265,585)	(12,819,825)
(Loss)/profit for the financial year	(3,124,499)	1,554,240
Closing shareholders' funds	<u>(14,390,084)</u>	<u>(11,265,585)</u>

22. FINANCIAL COMMITMENTS

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Capital commitments				
Contracted for but not provided	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Operating lease commitments

At 31 May 2001, the company was committed to making the following payments during the next year in respect of operating leases:

	Group	
	2001 £	2000 £
Leases which expire:		
Within one to two years	39,790	-
Within two to five years	11,698	126,203
	<u>51,488</u>	<u>126,203</u>

23. CONTINGENT LIABILITIES

In addition to amounts provided in note 16, 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 £1,121,000 (2000 - £492,375) at the balance sheet date.

24. 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 FLLPLAS 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.

In August 1999 a deficit on FLLPLAS was identified by the actuarial advisers to the scheme. The deficit attributable to the group in respect of current and former employees is £108,000 (projected to August 2001) and has been charged to the profit and loss account in the current year.

NOTES TO THE ACCOUNTS

Year ended 31 May 2001

25. ULTIMATE PARENT COMPANY

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

26. 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 £582,005 resulting in a profit on sale of £867,995. In addition the group has acquired players' registrations with a value of £7,085,000 since the balance sheet date.