

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

**Report and Financial Statements**

**31 May 2000**

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



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COMPANIES HOUSE**

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06/02/01**

**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**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 Manducca (appointed 19 October 2000)  
J D Moxey (appointed 19 June 2000)  
J P Richards (resigned 18 May 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 2000.

**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 premiership status. This remains the primary aim of the group. Details of post year end player trading are set out in note 24 to the accounts.

**POST BALANCE SHEET EVENT**

The company had commenced legal proceedings in January 1999 in the Chancery Division of the High Court against two former directors and against the company's former legal advisers, as referred to in the contingent liability note of the accounts at 31 May 1999.

The action was settled in October 2000 before going to Court.

**RESULTS AND DIVIDENDS**

The directors do not recommend the payment of a dividend. The profit of the group for the year after taxation of £1,554,220 (1999 - loss £4,179,279) has been transferred to 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	
	2000	1999
	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	-	-

**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 20 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 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte Touche*

Chartered Accountants and Registered Auditors

*2 February 2001*

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 May 2000**

	Note	2000 £	1999 £
<b>TURNOVER</b>		11,158,886	11,399,915
Operating expenses		<u>(13,734,480)</u>	<u>(14,682,897)</u>
<b>OPERATING LOSS BEFORE AMORTISATION OF PLAYERS</b>	5	(2,575,594)	(3,282,982)
Amortisation of players		<u>(2,032,450)</u>	<u>(3,212,691)</u>
<b>OPERATING LOSS</b>		(4,608,044)	(6,495,673)
Profit on disposal of players		<u>6,024,222</u>	<u>2,077,411</u>
<b>PROFIT/(LOSS) BEFORE INTEREST AND TAXATION</b>		1,416,178	(4,418,262)
Interest receivable and other income	6	204,465	257,587
Interest payable	7	<u>(66,403)</u>	<u>(18,604)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,554,240	(4,179,279)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR</b>		1,554,240	(4,179,279)
Profit and loss account brought forward		(29,605,233)	(25,536,947)
Transferred from revaluation reserve		<u>110,993</u>	<u>110,993</u>
<b>Profit and loss account carried forward</b>		<u><u>(27,940,000)</u></u>	<u><u>(29,605,233)</u></u>

All activities derive from continuing operations.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**Year ended 31 May 2000**

	2000 £	1999 £
Profit/(loss) on ordinary activities before taxation	1,554,240	(4,179,279)
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 profit/(loss) on ordinary activities before taxation being retained historical cost profit/(loss) for the year	<u>1,665,233</u>	<u>(4,068,286)</u>

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 May 2000**

	2000 £	1999 £
Profit/(loss) for the year attributable to shareholders	<u>1,554,240</u>	<u>(4,179,279)</u>
Note of prior year adjustment:		
Total recognised gains and losses relating to the year (as above)	1,554,240	(4,179,279)
Prior year adjustment (note 2)	-	5,082,266
Total gains and losses since the last annual report	<u>1,554,240</u>	<u>902,987</u>



**CONSOLIDATED BALANCE SHEET**  
**31 May 2000**

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Intangible assets	9	5,786,022	2,376,523
Tangible assets	10	23,107,357	23,394,676
Investments	11	4,188	4,188
		<u>28,897,567</u>	<u>25,775,387</u>
<b>CURRENT ASSETS</b>			
Stocks	12	186,742	367,067
Debtors	13	4,369,821	1,984,640
Cash at bank and in hand		962,768	232,424
		<u>5,519,331</u>	<u>2,584,131</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(43,298,113)</u>	<u>(38,925,130)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(37,778,782)</u>	<u>(36,340,999)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(8,881,215)	(10,565,612)
<b>CREDITORS: amounts falling due after more than one year</b>	15	(2,086,405)	(2,144,838)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	<u>(297,965)</u>	<u>(109,375)</u>
		<u>(11,265,585)</u>	<u>(12,819,825)</u>
<b>CAPITAL AND DEFICIENCY</b>			
Called up share capital	18	10,000,000	10,000,000
Revaluation reserve	19	6,674,415	6,785,408
Profit and loss account	19	(27,940,000)	(29,605,233)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	20	<u>(11,265,585)</u>	<u>(12,819,825)</u>

These financial statements were approved by the Board of Directors on 19 January 2001

Signed on behalf of the Board of Directors

  
 Director

COMPANY BALANCE SHEET  
31 May 2000

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Investments	11	<u>14,659,999</u>	<u>14,659,999</u>
<b>CURRENT ASSETS</b>			
Debtors	13	<u>270</u>	<u>270</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(38,137,434)</u>	<u>(34,963,208)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(38,137,164)</u>	<u>(34,962,938)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(23,477,165)</u>	<u>(20,302,939)</u>
<b>CAPITAL AND DEFICIENCY</b>			
Called up share capital	18	10,000,000	10,000,000
Profit and loss account	19	<u>(33,477,165)</u>	<u>(30,302,939)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(23,477,165)</u>	<u>(20,302,939)</u>

These financial statements were approved by the Board of Directors on 19 January 2001

Signed on behalf of the Board of Directors

  
Director

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 May 2000**

	Note	2000 £	1999 (as restated) £
Cash flow from operating activities	(i)	(1,544,561)	(1,170,883)
Returns on investments and servicing of finance	(ii)	138,062	238,983
Capital expenditure and financial investment	(ii)	(977,368)	334,541
Cash outflow before use of liquid resources and financing		<u>(2,383,867)</u>	<u>(597,359)</u>
Financing	(ii)	<u>3,114,211</u>	<u>318,463</u>
Increase/(decrease) in cash in the year		<u>730,344</u>	<u>(278,896)</u>

Reconciliation of net cash flow to movement in net funds	(iii)	2000 £	1999 (as restated) £
Increase/(decrease) in cash in the year		730,344	(278,896)
Cash inflow from increase in debt and lease financing		<u>(3,114,211)</u>	<u>(318,463)</u>
Change in net debt resulting from cash flows being movement in net debt in the year		<u>(2,383,867)</u>	<u>(597,359)</u>
Net debt at 1 June		<u>(34,966,948)</u>	<u>(34,369,589)</u>
Net debt at 31 May		<u>(37,350,815)</u>	<u>(34,966,948)</u>

In order to ensure comparability of corresponding amounts, the amount due to the ultimate parent company and the associated cash flows have been reclassified as debt and financing respectively. This results in an increase in net debt at 31 May 1999 of £35,106,957 and transfer of £350,000 from operating cash outflow to financing cash outflow. This more properly reflects the requirements of FRS1 "Cash flow statements."

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 May 2000

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

	2000 £	1999 (as restated) £
Operating loss	(4,608,044)	(6,495,673)
Depreciation	832,816	817,177
Amortisation of players	2,032,450	3,212,691
Loss/(profit) on sale of tangible fixed assets	24,732	(7,912)
Amortisation of deferred grant income	(62,814)	(56,555)
Decrease in stocks	180,325	102,683
Decrease in debtors	9,700	353,277
(Decrease)/increase in creditors	(142,316)	1,002,225
Increase/(decrease) in provision	188,590	(98,796)
<b>Net cash outflow from operating activities</b>	<b>(1,544,561)</b>	<b>(1,170,883)</b>

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

	2000 £	1999 (as restated) £
<b>Returns on investments and servicing of finance</b>		
Interest receivable and other similar income	204,465	257,587
Interest paid	(52,945)	-
Interest element of finance lease rental payments	(13,458)	(18,604)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>138,062</b>	<b>238,983</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(581,521)	(279,144)
Receipts from sale of tangible fixed assets	11,292	25,502
Payments to acquire intangible fixed assets	(4,446,225)	(1,949,431)
Receipts from sales of intangible fixed assets	3,996,184	2,539,502
Grant income received	42,902	-
Purchase of fixed asset investment	-	(1,888)
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<b>(977,368)</b>	<b>334,541</b>
<b>Net cash inflow from financing</b>		
Increase in loan from ultimate parent company	3,150,000	350,000
Capital element of finance lease rental payments	(35,789)	(31,537)
<b>Net cash inflow from financing</b>	<b>3,114,211</b>	<b>318,463</b>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 May 2000**

**(iii) ANALYSIS OF NET FUNDS**

	At 1 June 1999 (as restated) £	Cash Flow £	At 31 May 2000 £
Cash in hand and at bank	232,424	730,344	962,768
Loan from ultimate parent company	(35,106,957)	(3,150,000)	(38,256,957)
Finance leases	(92,415)	35,789	(56,626)
	<u>(34,966,948)</u>	<u>(2,383,867)</u>	<u>(37,350,815)</u>

**NOTES TO THE ACCOUNTS****Year ended 31 May 2000****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 redevelopment	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 stadium redevelopment 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 in accordance with FRS 10 "Accounting for goodwill and intangible assets".

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 as required by FRS 10 "Accounting for goodwill and intangible assets".

**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.

**Deferred grant income**

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.

## NOTES TO THE ACCOUNTS

Year ended 31 May 2000

## 1. ACCOUNTING POLICIES (continued)

**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 is 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 22).

**Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

## 2. PRIOR YEAR ADJUSTMENT

A prior year adjustment was made in the year ended 31 May 1999 in respect of the change in accounting policy for the cost of players' registration and related taxation effect.

## 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 loss (see note 19) for the financial year amounted to £3,174,226 (1999 - £346,000).

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
<b>Directors' emoluments</b>		
Directors' remuneration	89,211	125,493
Other pension costs	13,200	13,200
	<hr/>	<hr/>
	No	No
<b>Average number of persons employed</b>		
Administration staff	163	149
Playing staff	51	52
	<hr/>	<hr/>
	214	201
	<hr/>	<hr/>

Included in the above are an average of 78 (1999 - 57) members of staff who were employed on a part time basis.

## NOTES TO THE ACCOUNTS

Year ended 31 May 2000

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2000 £	1999 £
Staff costs during the year (including directors)		
Wages and salaries	7,093,797	7,257,949
Social security costs	753,037	639,452
Pension costs	26,564	30,125
	<u>7,873,398</u>	<u>7,927,526</u>

The number of directors who were members of a defined contribution scheme in the year was 1 (1999 - 1).

## 5. OPERATING LOSS

	2000 £	1999 £
Operating loss is stated after charging/(crediting):		
Auditors' remuneration		
Audit fees - Group	22,500	22,500
Audit fees - Company	1,500	1,500
Non-audit fees	3,300	4,825
Operating leases		
Hire of plant and machinery	25,362	25,654
Hire of assets other than plant and machinery	81,757	107,373
Loss/(profit) on sale of tangible fixed assets	24,732	(7,912)
Depreciation of tangible fixed assets:		
Owned assets	818,806	799,911
Leased assets	14,010	17,266
Amortisation of grant income	<u>(62,814)</u>	<u>(56,557)</u>

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Rental income	100,000	100,000
Bank interest	103,245	133,210
Other interest	1,220	24,377
	<u>204,465</u>	<u>257,587</u>

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank interest	52,945	-
On finance leases	13,458	18,604
	<u>66,403</u>	<u>18,604</u>



# NOTES TO THE ACCOUNTS

## Year ended 31 May 2000

### 8. TAX ON PROFIT/(LOSS) 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 £24 million (1999 - £28 million).

### 9. INTANGIBLE FIXED ASSETS

The Group	£
<b>Cost</b>	
At 1 June 1999	7,594,985
Additions	5,808,794
Disposals	(2,770,442)
At 31 May 2000	10,633,337
<b>Amortisation</b>	
At 1 June 1999	5,218,462
Charge for the year	2,032,450
Disposals	(2,403,597)
At 31 May 2000	4,847,315
<b>Net book value</b>	
At 31 May 2000	5,786,022
At 31 May 1999	2,376,523

### 10. TANGIBLE FIXED ASSETS

The Group	Stadium development £	Long term lease £	Plant equipment and motor vehicles £	Fixtures And Fittings £	Total £
<b>Cost or valuation</b>					
At 1 June 1999	22,987,389	-	1,261,616	1,843,082	26,092,087
Additions	20,439	450,000	43,858	67,224	581,521
Disposals	-	-	(22,414)	(85,797)	(108,211)
At 31 May 2000	23,007,828	450,000	1,283,060	1,824,509	26,565,397
<b>Accumulated depreciation</b>					
At 1 June 1999	918,270	-	628,177	1,150,964	2,697,411
Charge for the year	459,983	9,000	134,533	229,300	832,816
Disposals	-	-	(4,334)	(67,853)	(72,187)
At 31 May 2000	1,378,253	9,000	758,376	1,312,411	3,458,040
<b>Net book value</b>					
At 31 May 2000	21,629,575	441,000	524,684	512,098	23,107,357
At 31 May 1999	22,069,119	-	633,439	692,118	23,394,676

## NOTES TO THE ACCOUNTS

Year ended 31 May 2000

## 10. TANGIBLE FIXED ASSETS (continued)

The net book value of fixed assets includes £97,860 (1999 - £125,093) 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, since the directors believe this to be its current value. At 31 May 2000 the comparable amount determined according to the historical cost convention is £14,955,160 (Cost of £17,460,158 less accumulated depreciation of £2,504,998).

All other tangible fixed assets are stated at historical cost.

## 11. INVESTMENTS HELD AS FIXED ASSETS

## (a) The Group

Cost and net book value

At 1 June 1999 and 31 May 2000

£  
4,188

Wolverhampton Wanderers FC (1986) Limited owns a 1.1% (1999 - 1.1%) share in 'The Wolf', a radio station that broadcasts in the Wolverhampton area.

## (b) The Company

Shares in  
subsidiaries  
£

Cost and net book value

At 1 June 1999 and 31 May 2000

14,659,999

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	Internet services

## 12. STOCKS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Finished goods	186,742	367,067	-	-

NOTES TO THE ACCOUNTS  
Year ended 31 May 2000

## 13. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	421,501	466,305	-	-
Other debtors	3,589,044	1,110,907	270	270
Prepayments and accrued income	359,276	407,428	-	-
	<u>4,369,821</u>	<u>1,984,640</u>	<u>270</u>	<u>270</u>

By an agreement dated 24 September 1991, the company has agreed to make a loan facility available to its subsidiary undertaking, Wolverhampton Wanderers F.C. (1986) Limited. The amount drawn down on that at 31 May 2000 was £27,202,411 (1999 - £24,199,302). By a further agreement dated 24 February 1992, the company has agreed to make available a loan facility up to a maximum of £11,000,000 to its subsidiary undertaking, Wolverhampton Wanderers Properties Limited. The amount drawn down on that at 31 May 2000 was £5,883,007 (1999 - £5,737,603). Both loans are unsecured and repayable on thirty days notice. They are currently interest free but the company has the right, at thirty days notice, to charge interest at a rate not exceeding 0.5% above the prevailing London inter-bank market rate of interest. The loans have been fully provided against at the year-end in the company's accounts.

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

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Obligations under finance leases (note 17)	31,175	33,805	-	-
Trade creditors	889,505	1,111,017	-	-
Amounts owed to ultimate parent undertakings	38,256,957	35,106,957	38,111,553	34,961,553
Other taxation and social security	380,870	390,679	-	-
Other creditors	2,428,981	1,080,490	-	-
Accruals and deferred income	1,248,707	1,145,626	25,881	1,655
Deferred grant income	61,918	56,556	-	-
	<u>43,298,113</u>	<u>38,925,130</u>	<u>38,137,434</u>	<u>34,963,208</u>

The loan from the parent undertaking is unsecured and repayable on thirty days notice although the directors of the parent undertaking have indicated that, for the foreseeable future, it will not discontinue financial support. It is currently interest free but the parent undertaking has a right, at thirty days notice, to charge interest at a rate not exceeding 0.5% above the prevailing London inter-bank market rate of interest.

## NOTES TO THE ACCOUNTS

Year ended 31 May 2000

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

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Deferred grant income	2,060,954	2,086,228	-	-
Obligations under finance leases between two and five years (note 17)	25,451	58,610	-	-
	<u>2,086,405</u>	<u>2,144,838</u>	<u>-</u>	<u>-</u>

## 16. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Contingent appearance fees (see note 1)		
Balance at 1 June 1999	109,375	208,171
Transferred to profit on disposal of players	188,590	(98,796)
Balance at 31 May 2000	<u>297,965</u>	<u>109,375</u>

It is anticipated that the balance in this provision will be utilised during the financial year ending 31 May 2001.

## 17. BORROWINGS

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Obligations under finance leases:				
In one year or less or on demand	31,175	33,805	-	-
In more than one year but less than two years	25,451	33,159	-	-
In more than two years but less than five years	-	25,451	-	-
	<u>56,626</u>	<u>92,415</u>	<u>-</u>	<u>-</u>

## 18. CALLED UP SHARE CAPITAL

	2000 £	1999 £
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>

# NOTES TO THE ACCOUNTS

## Year ended 31 May 2000

### 19. RESERVES

	← Group →		Company
	Revaluation Reserve £	Profit and loss account £	Profit and loss account £
At 1 June 1999	6,785,408	(29,605,233)	(30,302,939)
Retained profit/(loss) for the year	-	1,554,240	(3,174,226)
Transfer between reserves	(110,993)	110,993	-
At 31 May 2000	<u>6,674,415</u>	<u>(27,940,000)</u>	<u>(33,477,165)</u>

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

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIENCY

	2000 £	1999 £
Opening shareholders' funds:		
As previously stated	(12,819,825)	(13,722,812)
Prior period adjustment (note 2)	-	5,082,266
As restated	<u>(12,819,825)</u>	<u>(8,640,546)</u>
Profit/(loss) for the financial year	<u>1,554,240</u>	<u>(4,179,279)</u>
Closing shareholders' funds	<u>(11,265,585)</u>	<u>(12,819,825)</u>

### 21. FINANCIAL COMMITMENTS

	Group		Company	
	1999 £	1998 £	1999 £	1998 £
Capital commitments				
Contracted for but not provided	-	-	-	-

#### Operating lease commitments

At 31 May 2000, the group and company had annual commitments under non-cancellable other operating leases as set out below:

	Group	
	2000 £	1999 £
Leases which expire:		
Within two to five years	<u>126,203</u>	<u>72,912</u>

**NOTES TO THE ACCOUNTS**

**Year ended 31 May 2000**

**22. CONTINGENT LIABILITIES**

The group was committed to paying contingent appearance fees, dependent on the occurrence of future first team and international appearances, of £92,375 (1999 - £450,450) at the balance sheet date.

**23. ULTIMATE PARENT COMPANY**

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

**24. POST BALANCE SHEET EVENTS**

- (i) Since the year end, the group have sold players registrations recorded as intangible assets with a value at the balance sheet date of £2,872,000 resulting in a profit on sale of £1,875,000. In addition the company have acquired players registrations with a value of £3,263,400 since the balance sheet date.
- (ii) The company had commenced legal proceedings in January 1999 in the Chancery Division of the High Court against two former directors and against the company's former legal advisers, as referred to in the contingent liability note of the accounts at 31 May 1999.

The action was settled in October 2000 before going to court.