Company Registration No. 02487393

W. W. (1990) LIMITED

Annual Report and Consolidated Financial Statements

For the year ended 31 May 2017

W. W. (1990) LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Y Shi
X Sun

COMPANY SECRETARY

M D Wild

REGISTERED OFFICE

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

BANKERS

Barclays Bank PLC
15 Colmore Row
Birmingham
B3 2BH

AUDITOR

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham
B1 2HZ

W. W. (1990) LIMITED

STRATEGIC REPORT

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

PRINCIPAL 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

The Company remains the parent company, of the wholly owned subsidiaries Wolverhampton Wanderers Football Club (1986) Limited and Wolverhampton Wanderers Properties Limited (together, 'the group').

In the year under review, the Club competed in the Football League Championship under new ownership. This year showed some strong investment into developing the squad, however, it was disappointing to finish 15th in the table and as a result some changes were made at the end of this season, which have led to a very promising start to the new season.

Turnover for the year reached £23.8m (2016: £27.2m), reflecting the first year without the benefit of the Premier League parachute resulting in a net reduction of £6.2m compared to the Football League central funding. This was offset, in part, by increased ticketing, broadcasting and commercial income resulting in a combined uplift of £2.6m.

Season ticket numbers fell slightly to 13,757 (2016: 14,136) but despite this drop, our average league attendances increased to 21,572 compared to 20,157 in the prior year resulting in an increase of £1.2m in ticketing income.

Player trading in the year generated profit of £2.2m through disposal of players' registrations but this was outweighed by higher amortisation charges of £7.6m primarily from players such as Costa, Cavaleiro, Bodvarsson, Saiss and Gladon resulting in a net Player Trading loss of £5.4m.

Operating costs increased in this period reflecting the restructuring costs of the new football management team as well as including settlements costs of the outgoing management team, during this period of change.

Of the costs associated with the restructuring of the Football Club at the end of the 2012/13 season, following a second consecutive relegation, only a small provision of £128k remained in the accounts and was released in this year, compared to a much higher provision release amount of £2.6m in the prior year. This provision is for "onerous contracts" which will be terminating during 2016/17 season and, hence, was fully utilised during that period.

As referred to above, this was the initial year of the new ownership of the Club which changed hands in July 2016 after the immediate parent W.W. (1990) Limited was acquired by a Chinese consortium. Consequently, the aim for the Club very much remains one of gaining promotion back to the Premier League and it is hoped that the increased investment in new players that will flow from the new owners, coupled to some promising, young players that have been developed through the Club's Academy system, will deliver success in the near future.

The directors serving during the year under review had remained committed to a medium to long term redevelopment project for the Molineux Stadium and its surrounding areas

Since the change in ownership, the directors that have been appointed, share the same commitment as their predecessors and consider future prospects for the company to be excellent. At the time of signing the accounts, the Club is currently at the top of the League and is a strong contender for Promotion.

STRATEGIC REPORT (continued)

GOING CONCERN

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

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

The directors have obtained a letter from Fosun International Holdings Ltd, the ultimate holding company, which confirms their intention to meet all the obligations of the Group, to the extent they may be unable to meet those obligations themselves, for a period of not less than one year from the date of the signing of the financial statements. The ultimate holding company also have no intention of calling the loans due to them for at least a period of the next 12 months.

FINANCIAL RISK MANAGEMENT

The company's principal risk relates to the league in which the Group competes and the financial impact that this has on the business in terms of attendances and the funds received from central distributions made by either the Premier League or the Football League. The year under review was the first year that the Group, as a previously relegated club, is no longer entitled to receive Premier League "parachute" distributions, and now alternatively receives Solidarity Payments from the EFL in addition to the Basic Award the Group was entitled to in previous seasons.

Because of investment in the playing squad in the period, the Group has made a loss of £23,184,000 and therefore there is a risk exists in respect of complying with the Profit and Sustainability regulations, where failure to meet the required thresholds can result in both financial and operational sanctions to the Group. The directors ensure the latest forecasted performance against the Profit and Sustainability criteria is consistently monitored and updated month on month, to ensure the directors can respond to any potential forecasted breaches to mitigate the risk of such sanctions.

Another financial risk arises as a result macro-economic factors which affect the value of the pound against the Euro. Two key events occurred in the year which had an adverse effect on the value of the pound, namely the EU Referendum and the 2017 General Election, which both resulted in a drop in the value of the pound. As the Group has not entered into forward and future contracts, the impact on the pound has had an impact on the value of transfer fees paid which are stated in Euros per the terms of the individual transfer agreements.

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

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

PRICE RISK

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

LIQUIDITY AND CASH FLOW RISK

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

As most of the business is secured in advance of the start of the season, budgets can be prepared within defined key business parameters and hence working capital can be assessed and managed accordingly.

The W.W. (1990) Group continues to demonstrate effective working capital management with sufficient headroom to accommodate any seasonal fluctuations. Cash flows are prepared and managed monthly but monitored daily to the satisfaction of the directors and shareholders. Fosun Industrial Holdings Ltd, the ultimate holding company, have

STRATEGIC REPORT (continued)

OWNERSHIP

The company's ownership has changed during the year under review. Late July 2016 saw W.W. (1990) Limited being acquired by Prestige Century Holdings Limited, itself a wholly owned subsidiary within the Fosun group of companies, the largest of which, and for which group financial statements are prepared, is Fosun International Holdings Limited.

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

M D Wild
Company Secretary
8 February 2018

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2017.

RESULTS AND DIVIDENDS

The directors are unable to recommend payment of a dividend (2016: £nil). The loss for the year of £23,184,000 has been debited to reserves (2016: £5,831,000 profit credited to reserves).

POST BALANCE SHEET EVENTS

Details of post-year end trading are set out in note 26 to the financial statements.

DIRECTORS

The directors who served during the year and subsequently are listed below.

J D Moxey	(resigned 5 August 2016)
S P Morgan	(resigned 21 July 2016)
V W Fairclough	(resigned 21 July 2016)
A M Lewis	(resigned 21 July 2016)
Y Shi	(appointed 21 July 2016)
X Sun	(appointed 21 July 2016)

DIRECTORS' INDEMNITIES

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

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons, should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The group considers that employee involvement is essential to the continuing development and success of its business and uses a variety of methods to inform, consult and involve its employees. This is achieved through formal and informal meetings.

FUTURE DEVELOPMENTS

Future Developments have been disclosed as part of the Strategic Report; please refer to this on page 2.

USE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Use of financial instruments and financial risk management have been disclosed as part of the Strategic Report, please refer to page 3.

W. W. (1990) LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12 in respect of its separate financial statements, which are presented alongside the consolidated financial statements. The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the company by Prestige Century Holdings Limited, as its immediate parent.

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

M D Wild
Company Secretary
8 February 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- ensure UK Accounting Standards have been followed.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W.W. (1990) LIMITED

We have audited the financial statements of W.W. (1990) Limited for the year ended 31 May 2017 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Halls FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, UK

Date: 16/2/18

W. W. (1990) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2017

	Notes	Operations excluding player trading £'000	Player amortisation and trading £'000	2017 £'000	2016 £'000
TURNOVER	4	23,752	-	23,752	27,247
Net operating expenses	6	(40,910)	(7,613)	(48,523)	(31,325)
OPERATING LOSS		(17,158)	(7,613)	(24,771)	(4,078)
Profit on disposal of players' registrations	7	-	2,219	2,219	9,963
(LOSS)/PROFIT BEFORE FINANCING	7	(17,158)	(5,394)	(22,552)	5,885
Interest receivable and similar income	8			3	-
Interest payable and similar charges	8			(635)	(54)
(LOSS)/PROFIT BEFORE TAXATION				(23,184)	5,831
Tax on profit	9			-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR				(23,184)	5,831

Player trading consists primarily of amortisation costs of acquiring player registrations, and impairment charges and profit on disposal of player registrations.

All results derive from continuing operations.

There are no recognised gains and losses other than those included in the results above. Accordingly, no separate consolidated statement of comprehensive income has been prepared.

W. W. (1990) LIMITED

CONSOLIDATED BALANCE SHEET
As at 31 May 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Intangible assets	10	32,440	8,260
Tangible assets	11	53,069	54,156
		85,509	62,416
CURRENT ASSETS			
Stocks	13	170	488
Debtors	14	4,645	11,058
Cash at bank and in hand		3,245	14
		8,060	11,560
CREDITORS: amounts falling due within one year	15	(32,658)	(16,865)
NET CURRENT LIABILITIES		(24,598)	(5,305)
TOTAL ASSETS LESS CURRENT LIABILITIES		60,911	57,111
CREDITORS: amounts falling due after more than one year	16	(27,681)	(1,842)
PROVISION FOR LIABILITIES	18	(740)	(203)
NET ASSETS		32,490	55,066
CAPITAL AND RESERVES			
Called up share capital	19	78,000	78,000
Capital contribution reserve		708	100
Revaluation reserve		8,752	8,938
Profit and loss account		(54,970)	(31,972)
SHAREHOLDERS' FUNDS		32,490	55,066

These financial statements of W.W. (1990) Limited, registered number 02487393, were approved by the Board of Directors and authorised for issue on 26 FEBRUARY 2018.

Signed on behalf of the Board of Directors

Y Shi
Director

W. W. (1990) LIMITED

COMPANY BALANCE SHEET
As at 31 May 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Investments	12	10,000	10,000
CURRENT ASSETS			
Cash at bank and in hand		-	1
Debtors	14	26,989	-
CREDITORS: amounts falling due within one year	15	(6,002)	(2)
NET CURRENT ASSETS/(LIABILITIES)		20,987	(1)
CREDITORS: amounts falling due after more than one year	16	(21,000)	-
NET ASSETS		9,987	9,999
CAPITAL AND RESERVES			
Called up share capital	19	78,000	78,000
Capital contribution reserve		708	100
Profit and loss account		(68,721)	(68,101)
SHAREHOLDERS' FUNDS		9,987	9,999

The loss for the financial year dealt with in the financial statements of the parent Company was £620,000 (2016: profit of £16,000).

These financial statements of W.W. (1990) Limited, registered number 02487393, were approved by the Board of Directors and authorised for issue on 8 February 2018.

Signed on behalf of the Board of Directors

Y Shi
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 May 2017

	Called up share capital £'000	Capital contribution reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2015	78,000	100	9,124	(37,989)	39,235
Profit for the financial year and total comprehensive income	-	-	-	5,831	5,831
Transfer between reserves	-	-	(186)	186	-
At 31 May 2016	78,000	100	8,938	(31,972)	55,066
(Loss) for the financial year and total comprehensive income	-	-	-	(23,184)	(23,184)
Transfer between reserves	-	-	(186)	186	-
Capital contribution arising from interest waived on loans issued by parent	-	608	-	-	608
At 31 May 2017	78,000	708	8,752	(54,970)	32,490

COMPANY STATEMENT OF CHANGES IN EQUITY
As at 31 May 2017

	Called up share capital £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2015	78,000	100	(68,117)	9,983
Profit for the financial year and total comprehensive income	-	-	16	16
At 31 May 2016	78,000	100	(68,101)	9,999
(Loss) for the financial year and total comprehensive income	-	-	(620)	(620)
Capital contribution arising from interest waived on loans issued by parent	-	608	-	608
At 31 May 2017	78,000	708	(68,721)	9,987

W. W. (1990) LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 May 2017

	Note	2017 £'000	2016 £'000
Net cash flow from operating activities	20	(12,819)	(2,443)
Cash flows from investing activities			
Interest received and similar income		3	-
Purchase of tangible fixed assets		(981)	(999)
Sale of tangible fixed assets		-	-
Purchase of players		(14,745)	(6,027)
Sale of players		9,025	4,324
Net cash flows from investing activities		(6,698)	(2,702)
Cash flows from financing activities			
Finance leases		(20)	(18)
Interest paid		(26)	(54)
Loans received from parent		27,000	-
Net cash flows from financing activities		26,954	(72)
Net increase/(decrease) in cash and cash equivalents		7,437	(5,217)
Cash and cash equivalents at beginning of year		(4,192)	1,025
Cash and cash equivalents at end of year		3,245	(4,192)

Cash and cash equivalents at end of year:		
Cash at bank and in hand	3,245	14
Bank overdraft	-	(4,206)
	3,245	(4,192)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

1. ACCOUNTING POLICIES

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

General information and basis of accounting

W.W. (1990) Limited is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of W.W. (1990) Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

W.W. (1990) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. This includes an overview of the group's financial position, its cash flows, liquidity position and borrowing facilities. In addition, there is a description of the group's policies and procedures to manage their principal risks and uncertainties.

The Group has net current liabilities of £24,598k, and as such are reliant on funding from their ultimate holding company to meet their liquidity requirements.

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

The directors have obtained a letter from Fosun International Holdings Ltd, the ultimate holding company, which confirms their intention to meet all the obligations of the Group, to the extent they may be unable to meet those obligations themselves, for a period of not less than one year from the date of the signing of the financial statements. The ultimate holding company also have no intention of calling the loans due to them for at least a period of the next 12 months.

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources and support to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 May each year.

Turnover

Turnover represents match receipts and other income associated with the principal activity of running a professional football club and excludes value added tax. Turnover is recognised when the provision of each service is complete. All turnover is derived from activities in the UK. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

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.

Intangible fixed assets

The costs associated with the acquisition of players' registrations, less financing element for instalments deferred beyond normal credit terms, are capitalised as intangible fixed assets. These costs are fully amortised on a straight-line basis over the period of the respective players' contracts. Provision for impairment is made when it becomes apparent that any diminution in value is permanent, because of an adverse event. In the event of an initial contract being renegotiated prior to expiry, the remaining net book value is amortised over the extended period.

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 on a straight-line basis. 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

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of appearances or on the occurrence of certain other specified future events. Where the directors consider the likelihood of a player meeting future performance and appearance criteria laid down in the transfer agreement of that player to be probable, provision for this cost is made. If the likelihood of meeting these criteria is not probable no provision is made (see note 15).

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated market residual value of each asset, on a straight-line basis over its expected useful life as below:

Land	Not depreciated
Stadium development	2%
Training facilities	2-20%
Car park	2%
Plant and equipment	10%
Motor vehicles	20%
Fixtures and fittings	12.5%

No depreciation is charged on capital work in progress until the assets are available for use. On completion, such assets are transferred to the appropriate category of tangible fixed assets.

Grants

Grants relating to tangible fixed assets are treated as deferred income (see note 19) and released to the profit and loss account over the expected lives of the assets concerned.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

1. **ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) *Financial assets and liabilities (continued)*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries are measured at cost less impairment.

1. **ACCOUNTING POLICIES (continued)**

Impairment of assets (continued)

(iii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, because of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Employee benefits

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

Leases and hire purchase contracts

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

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company can control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model is measured using the tax rates and allowances that apply to sale of the asset.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Contingent appearance fee provisions

Provisions and contingent liabilities relating to player transfers include the directors' judgement of probable future events, such as the number of appearances made by players, which determine amounts that will become payable. Actual future costs may differ from the amounts provided.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of contingent transfer provision

The fair value of contingent appearance provisions requires an estimate of when the criteria will be achieved, and as such when the contingent sums will be due for payment, to determine the present value. The Group have based their assessment on an individual player by player basis, considering their involvement in match day competitive fixtures. Such estimates are subject to change, because of injuries or changes to first team management.

Impairment of properties

During the year under review, management of the Group have satisfied themselves that properties are not impaired, by undertaking an independent valuation of the Group's property portfolio, to confirm the prevailing market value (i.e. recoverable value) exceeds the carrying value of the property business cash generating unit. Management have revisited the valuation at the end of the year, and have not identified any indicators that the valuation performed during the year would significantly differ from the valuation at the balance sheet date.

3. COMPANY ONLY FINANCIAL STATEMENTS

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year amounted to £620,000 (2016: profit of £16,000).

4. TURNOVER

An analysis of the group's turnover is as follows:

	2017 £'000	2016 £'000
Gate receipts	6,545	5,372
Sponsorship and advertising	3,883	3,452
Broadcasting rights	1,090	901
Commercial	3,702	3,416
League distributions	6,940	13,028
Other turnover	1,592	1,078
	23,752	27,247

All turnover in the current and prior year arises from the United Kingdom.

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2017 £'000	2016 £'000
Directors' emoluments		
Remuneration	637	433
Pension contributions	22	75
	659	508

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2017	2016
Highest paid director	**£'000**	**£'000**
Remuneration	480	433
Pension contributions	14	75
	494	508

	2017	2016
	No.	**No.**
Average number of persons employed (including directors)		
Playing staff	74	69
Non-playing staff	208	200
	282	269

	2017	2016
	£'000	**£'000**
Staff costs during the year (including directors)		
Wages and salaries	24,866	15,919
Social security costs	3,224	2,192
Pension costs	145	129
	28,235	18,240

The number of directors who were members of a defined contribution scheme in the year was two (2016: one). The above information regarding staff are those for the W.W. (1990) Limited group, as there are no employees of W.W. (1990) Limited apart from the directors. Directors' remuneration is paid by Wolverhampton Wanderers FC (1986) Limited. It is not practicable to allocate the directors' remuneration between their services as executives of W.W. (1990) Limited and their services as directors of Wolverhampton Wanderers FC (1986) Limited and Wolverhampton Wanderers Properties Limited.

The directors do not consider there to be any key management personnel other than the directors (2016: same).

6. NET OPERATING EXPENSES

	2017	2016
Net operating expenses comprise:	**£'000**	**£'000**
Depreciation of owned assets	1,880	1,892
Depreciation of leased assets	15	15
Amortisation of players' registrations	7,613	2,909
Loss/(profit) on disposal of fixed assets	171	13
Amortisation of grants	(24)	(24)
	9,655	4,805
Staff costs (note 5)	28,235	18,240
Other operating charges	10,633	8,280
Operating expenses	48,523	31,325

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):	**2017 £'000**	**2016 £'000**
Auditor's remuneration		
Audit fees – audit of the company's accounts	2	2
Audit fees – audit of the company's subsidiaries pursuant to legislation	35	35
Non-audit fees – tax compliance services	84	21
Depreciation of owned assets	1,880	1,892
Depreciation of leased assets	15	15
Amortisation of players' registrations	7,613	2,909
Cost of stock recognised as an expense	1,245	1,037
Release of contingent appearance fee provision	(505)	(41)
Profit on disposal of player registrations	(2,219)	(9,963)
Loss/(profit) on disposal of fixed assets	171	13
Amortisation of grants	(24)	(24)
Operating leases		
Hire of plant and machinery	25	35
Hire of assets other than plant and machinery	200	110

8. NET FINANCE (EXPENSE)/INCOME

	2017 £'000	**2016 £'000**
Interest receivable and similar income		
Bank interest receivable	3	-
Interest payable and similar charges		
Bank interest payable	(24)	(50)
Interest payable on finance leases	(3)	(4)
Interest payable on loans from Parent	(608)	-
Net finance (expense)/income	(635)	(54)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The group has no tax charge arising due to the loss incurred in the year. The group has no liability for taxation due to the availability of tax losses brought forward. The group has tax losses remaining to carry forward of £32,115,000 (2016: £10,633,000).

The standard rate of tax applied to reported losses on ordinary activities is 19.84% (2016: 20.00%). The applicable tax rate changed to 20% from 1 April 2015. The applicable tax rate has changed to 20% following the substantive enactment of the Finance Act 2013. Finance (No.2) Act 2015 enacted further reductions resulting in a main rate of corporation tax of 19% for financial years 2017 to 2019 and a rate of 18% with effect from 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

The difference between the total tax charge shown above and the amount calculated by applying Standard rate of UK Corporation Tax to the profit before tax is as follows:

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The differences are explained below:	2017 £'000	2016 £'000
Profit/(loss) on ordinary activities before tax	(23,184)	5,831
Tax on profit on ordinary activities at standard rate of 19.84% (2016: 20.00%)	(4,600)	1,166
Factors affecting charge:		
Expenses not deductible for tax purposes	232	226
Non-taxable income	(5)	(2)
Deferred tax not recognised	4,373	(1,390)
Total tax charge for the year	-	-

The potential deferred tax asset of £7,445,000 (2016: £3,720,000), which arises largely in respect of losses carried forward, has not been recognised as it is not expected that there will be sufficient taxable profits of the right classification available in the foreseeable future against which the losses may be offset. In addition, deferred tax has not been provided in respect of revaluations of fixed assets. Following the revaluation in 2013, if the assets were to be sold at their revised valuation, the potential gain arising on the disposal of the stadium and training facilities would be offset by indexation allowance, therefore the tax estimated on the disposals would be £nil (2016: £nil).

	2017 £'000	2016 £'000
Unutilised losses	5,460	1,914
Accelerated capital allowances	1,823	1,791
Other timing differences	162	15
Unrecognised deferred tax asset	7,445	3,720

10. INTANGIBLE FIXED ASSETS

Group	Players' registrations £'000
Cost	
At 1 June 2016	18,340
Additions	32,492
Disposals	(6,651)
At 31 May 2017	44,181
Amortisation	
At 1 June 2016	10,080
Charge for the year	7,613
Disposals	(5,952)
At 31 May 2017	11,741
Net book value	
At 31 May 2017	32,440
At 31 May 2016	8,260

The company has no intangible assets relating to players' registrations.

11. TANGIBLE FIXED ASSETS

Group	Stadium development £'000	Training facilities £'000	Plant, equipment and motor vehicles £'000	Car park £'000	Fixtures and fittings £'000	Total £'000
Cost						
At 1 June 2016	44,665	9,827	5,937	763	4,810	66,002
Additions	-	12	628	-	340	980
Disposals	(74)	(105)	-	-	-	(179)
At 31 May 2017	44,591	9,734	6,565	763	5,150	66,803
Accumulated depreciation						
At 1 June 2016	2,630	736	4,372	171	3,937	11,846
Charge for the year	882	315	457	15	227	1,896
Eliminated on disposal	(5)	(3)	-	-	-	(8)
At 31 May 2017	3,507	1,048	4,829	186	4,164	13,734
Net book value						
At 31 May 2017	41,084	8,686	1,736	577	986	53,069
At 31 May 2016	42,035	9,091	1,565	592	873	54,156

Included within training facilities are long term leases with a net book value of £314,000 (2016: £316,500). The depreciation on these leased assets was £2,500 (2016: £2,500).

Included within plant and equipment is an asset held under finance lease with a net book value of £83,000 (2016: £95,000). The depreciation on these leased assets was £12,000 (2016: £12,000).

12. INVESTMENTS

Company

	Subsidiary undertakings £'000
Cost	
At 1 June 2016 and 31 May 2017	14,660
Impairment	
At 1 June 2016 and 31 May 2017	(4,660)
Net book value	
At 1 June 2016 and 31 May 2017	10,000

The company wholly owns the following subsidiaries, both of which are incorporated in England and have the same registered office as W.W. (1990) Limited.

Subsidiary undertakings	Class	Proportion of shares	Activity
Wolverhampton Wanderers F.C. (1986) Limited	Ordinary	100%	Football club
Wolverhampton Wanderers Properties Limited	Ordinary	100%	Property company

13. STOCKS

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Goods held for resale	170	488	-	-

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

No impairments have been recognised on the value of stock in either the current or previous period.

14. DEBTORS

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	566	448	-	-
Other debtors	2,687	8,427	-	-
Prepayments and accrued income	1,392	2,183	-	-
Amounts owed by subsidiary undertakings	-	-	26,989	-
	4,645	11,058	26,989	-

All debtors are due within one year, other than debtors totalling £100,000 relating to transfer of player registrations (2016: £nil).

Debtors relating to player trading of £1,555,000 (2016: £7,656,000) are included in other debtors.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Bank overdraft (secured)	-	4,206	-	-
Amounts due on finance leases	20	20	-	-
Trade creditors	1,125	2,012	-	-
Other taxation and social security	1,602	1,309	-	-
Other creditors, accruals and deferred income	23,911	9,318	2	2
Amounts owed to parent undertakings	6,000	-	6,000	-
	32,658	16,865	6,002	2

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

Amounts payable in respect of player trading of £17,359,000 (2016: £4,143,000) are included within other creditors.

The amounts due to Fosun Industrial Holdings Limited are repayable over a one year loan term, with maturity being on the first anniversary of the date of the last instalment of the loan being received in the borrowers designated bank account. All interest payable on such loans per the stated terms of the agreement has been waived and no interest is payable at the balance sheet date.

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

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts due on finance leases	26	46	-	-
Other creditors, accruals and deferred income	6,655	1,796	-	-
Amounts owed to parent undertakings	21,000	-	21,000	-
	27,681	1,842	21,000	-

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

Amounts payable in respect of player trading of £5,656,000 (2016: £805,000) are included within other creditors.

The £21m amounts due to Fosun Industrial Holdings Limited are repayable over a two-year loan term, with maturity being on the first anniversary of the date of the last instalment of the loan being received in the borrowers designated bank account. All interest payable on such loans per the stated terms of the agreement has been waived and no interest is payable at the balance sheet date.

17. BORROWINGS

	2017	2016
	£'000	£'000
Bank overdraft		
Within one year	-	4,206
Due to parent:		
Within one year	6,000	-
In more than one year but not more than two years	21,000	-
Amounts due on finance leases:		
Within one year	20	20
In more than one year but not more than two years	20	20
In more than two years but not more than five years	6	26
Total borrowings	27,046	4,272
Less cash at bank and in hand	(3,245)	-
Net debt at 31 May 2017	23,801	4,272

18. PROVISION FOR LIABILITIES

Group

	Contingent appearance fees £'000	Restructuring provision £'000	Total £'000
Balance at 1 June 2016	75	128	203
Created in the year	1,432	-	1,432
Utilised in the year	(279)	(128)	(407)
Impact of foreign exchange retranslation	17	-	17
Released in the year	(505)	-	(505)
Balance at 31 May 2017	740	-	740

In addition, the company may be required to pay contingent sums, dependent on the occurrence of future first team and international appearances and on field playing success of £11,609,990 (2016: £7,387,000) at the balance sheet date.

The restructuring provision was in respect of the restructuring programme initiated by the Board following the second successive relegation of the football club in 2013. The provision was fully utilised during the year.

19. CALLED UP SHARE CAPITAL AND RESERVES

	2017 £'000	2016 £'000
Called up, allotted and fully paid		
48 ordinary A shares of £1,000,000 each	48,000	48,000
30,000,000 ordinary B shares of £1 each	30,000	30,000
	78,000	78,000

Each ordinary A share carries the right to one vote at a general meeting. Each ordinary A share carries the right to distribution subject to written consent by the owners of ordinary B shares. In the event of a winding up of the company, capital reduction or other return of capital the holders of ordinary A shares shall only benefit a per the articles of association and only after the first £78 million has gone to the ordinary B shareholders.

Each ordinary B share carries the right to ten votes at a general meeting. Each ordinary B shares carries the right to distribution subject to written consent by the owners of ordinary B shares. In the event of a winding up of the company, capital reduction or other return of the capital then the first £78 million of net assets shall be distributed to ordinary B shareholders, and thereafter as per the articles of association.

The Group's reserves are as follows:

The capital contribution reserve relates to amounts contributed to the Group by their parent undertakings with no attached encumbrances. The movement in the year relates to loan interest which has been waived by Fosun Industrial Holdings Limited on loans due to parents, as per notes 15 and 16.

The revaluation reserve relates to gain on revaluation of Molineux Stadium, which is released to the profit and loss reserve at a rate in line with the depreciation charge on the tangible fixed asset value of the Stadium.

The profit and loss reserve relates to accumulated profits and losses, net of releases from the revaluation reserve in relation to Molineux Stadium, as per above.

20. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £'000	2016 £'000
Operating loss	(24,771)	(4,078)
Depreciation	1,895	1,907
Amortisation of players' registration	7,613	2,909
Loss/(profit) on disposal of fixed assets	171	13
Amortisation of deferred grant income	(24)	(24)
(Increase)/decrease in stock	318	(161)
Decrease in debtors	307	371
Increase/(Decrease) in creditors	1,135	(776)
Increase/(Decrease) in provisions	537	(2,604)
Net cash flow from operating activities	(12,819)	(2,443)

21. FINANCIAL COMMITMENTS

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Capital commitments				
Contracted for but not provided	446	1,484	-	-

Most of the committed capital expenditure can be attributed to the improvements to Molineux Stadium facilities, with other commitments being in respect of improvements to Compton training ground.

All capital commitments in both the current and preceding year relate to tangible fixed assets.

Operating lease commitments
The group has no land and building operating leases.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2017 £'000	2016 £'000
Within one year	19	14
Between one and five years	71	112
	90	126

The company had no operating lease commitments in either year.

22. FINANCIAL INSTRUMENTS

The carrying values of the group's financial assets and liabilities are summarised by category below:

	2017 £'000	2016 £'000
Financial assets		
Measured at undiscounted amount receivable		
• Trade and other debtors (see note 14)	4,639	11,058
• Bank accounts	3,245	-
	7,949	11,058

	2017 £'000	2016 £'000
Financial liabilities		
Measured at amortised cost		
• Obligations under finance leases (see notes 15 and 16)	46	66
Measured at undiscounted amount payable		
• Bank overdraft (see note 15)	-	4,206
• Trade and other creditors (see notes 15 and 16)	54,592	9,901
	54,638	14,173

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017 £'000	2016 £'000
Interest expense		
On financial liabilities/assets at undiscounted amount payable/receivable	(23)	(50)
On financial liabilities at amortised cost	(3)	(4)

23. PENSIONS

Certain employees 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.

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, it has been accounted for by the company based on the present value of contributions payable as per the latest triennial review.

At 31 August 2014, an MFR deficit was identified in the scheme, of which £59,841 was attributable to Wolverhampton Wanderers Football Club (1986) Limited at 31 May 2017, resulting in a continuation of contributions advised by the actuary.

Total costs relating to the defined contribution schemes in the year are £145,000 (2016: £129,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

24. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate holding company is Fosun International Holdings Limited, a company incorporated in the British Virgin Islands. The immediate parent undertaking is Prestige Century Holdings Limited, a company registered in the British Virgin Islands whose address is Akara Building, 24 De Castro Street, Wickhams Clay I, Road Town, VG1110, British Virgin Islands.

The largest group of which the company is a member and for which group financial statements are prepared is that headed by Fosun International Limited. The latest submitted financial report for the interim period can be obtained on Fosun's website.

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 102, section 33 "Related Party Disclosures" relating to transactions with its wholly owned subsidiary companies.

26. POST BALANCE SHEET EVENTS

Since the year end, the company has sold player registrations recorded as intangible assets with a value at the balance sheet date of £2,695,546 (2016: £804,502). In addition, the company has acquired player registrations with a value of £34,672,927 (2016: £17,152,721) since the balance sheet date. Also, since the balance sheet date, the company has recognised a profit on sales of player registrations £7,327,143 (2016: £1,604,034).