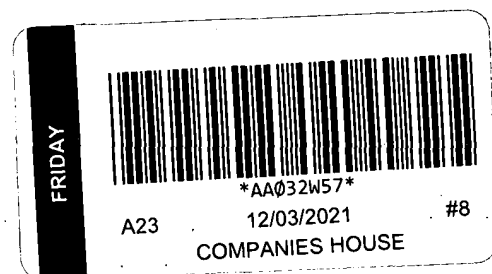


Registered number: 02487393

W.W. (1990) LIMITED

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020



W.W. (1990) LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | Y Shi X Sun (resigned 9 April 2020) |
| Company secretary | M D Wild |
| Registered number | 02487393 |
| Registered office | Molineux Stadium Waterloo Road Wolverhampton West Midlands WV1 4QR |
| Independent auditor | Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG |
| Bankers | Barclays Bank PLC One Snowhill Snow Hill Queensway Birmingham B4 6GH |

W.W. (1990) LIMITED

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W.W. (1990) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2020

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 that of a professional football club, and 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 group competed in the Premier League. This year saw a continuation of strong investment into developing the squad, and ultimately proved successful, resulting in a 7th-place finish in the League, with 59 points, a two-point improvement on the previous season. This is the highest points total the group has achieved in the top division since the last time the club won the title in 1958/59 and, taking into account that two points were awarded for a win before 1981, the most successful season in the top-flight since 1979/80.

After a successful domestic campaign in the previous season, this was the first year that the group competed in European competition for nearly 40 years. Although halted midway through by the Covid-19 pandemic, the Europa League campaign was a huge success, resulting in wins over established European teams and a quarter-final exit to eventual winners Sevilla FC.

Revenue for the year has been significantly impacted by the Covid-19 pandemic, and the resulting government measures to manage the spread of the virus. The suspension of all football announced on 13 March, means that only 29 of the 38 League fixtures in relation to the 2019/20 season are reflected in these financial results. The Premier League resumed on 17 June, with UEFA Europa League resuming on 5 August, resulting in a deferral of revenues which would have been recognised upon the completion of these fixtures. All fixtures following the restart, and revenues in relation to these fixtures, shall be reflected in the club's financial results for the Year Ended 31 May 2021. All remaining matches following the restart were played behind closed doors, which results in permanent losses to matchday revenues, such as ticketing, corporate hospitality, matchday catering, sponsorships, advertising, mascot experiences and matchday programmes.

Broadcasting revenues are also impacted by rebates due to broadcasters following disruption of the 2019/20 season. Several commercial operations were also closed from mid-March in line with government guidelines, with retail and non-matchday corporate events and catering, museum and stadium tours mandated to close. Whilst the retail business was subsequently able to reopen in June, with several social distancing and safety measures implemented, other areas of the business have remained closed during the pandemic.

As a result of all the above factors, revenue reduced to £132.6m (2019: £172.5m).

Player trading in the year generated profit of £9.5m through disposal of players' registrations (2019: £11.9m), but this was outweighed by higher amortisation charges on player registrations of £51.9m (2019: £37.7m), primarily driven by further investments in the first team and Academy, including turning the loans of Jimenez and Dendoncker to permanent transfers, along with acquisitions of Neto, Cutrone, Jordao, Matheson, Dadashov and Shabani. This results in a net player trading loss of £42.4m (2019: £25.9m).

Operating costs increased in this period reflecting the increases in first team payroll expenses in line with contractual terms exercised upon competing in the Premier League, alongside increased costs in enhancing both the infrastructure of the club, and the matchday experience.

Overall, the financial loss for the year, after interest and tax, is £39.3m (2019: profit of £19.5m). Had broadcast revenues from suspended matchdays not been deferred, the club would have achieved a small profit for the year, even with the permanent losses of matchday revenues as mentioned above.

W.W. (1990) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

A summary of the estimated direct impact of the Covid-19 pandemic on the club's revenue and net loss before tax is shown below:

| | Turnover | Profit / (loss) |
|--|-----------------|------------------------|
| | £000's | before tax |
| | £000's | £000's |
| Group results per financial statements | 132,609 | (39,957) |
| Add: broadcasting revenue deferred & foregone | 53,380 | 53,380 |
| Add: foregone matchday income | 2,232 | 2,232 |
| Add: sponsorship income not yet recognised | 1,973 | 1,973 |
| Club results excluding estimates of effects of Covid-19 pandemic | <u>190,194</u> | <u>17,628</u> |

The £17.6m Covid adjusted profit comprises both temporary income reductions as a result of the delay in completing the 2019/20 season, which will be recognised in the next accounting period, and also permanent revenue losses as a result of the premier league broadcast rebate and lost matchday income. These permanent losses are valued at £11.6m.

Throughout the year, the group was under the ownership of Fosun International Holdings Limited, with ultimate ownership of Chairman Guo Guangchang as majority shareholder of Fosun International Holdings Limited. Going forward, the aim for the group is to establish themselves as strong contenders for qualification to European club competition year-on-year, which will be achieved through continued application of the footballing philosophy applied since Fosun's takeover, with strategic enhancements to the playing squad and development of Academy players, supported by strategic alignment of the wider business.

The directors have a continued commitment to continuously improve the group, from both a footballing and a wider operational and strategic perspective. Supported by continued success in both the Premier League and cup competitions, both European and domestic, the directors consider prospects for the company to be excellent.

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 2 of the financial statements.

The directors have obtained a letter from Fosun International Limited, 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 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 group's principal risk relates to the league in which the club competes and the financial impact that this has on the business in terms of attendances and the funds received from central distributions made by either the Premier League or the Football League. In the year under review the club receives league distributions and broadcasting rights from the Premier League.

As is the case with all professional football clubs under the realm of the Premier League, there is a risk 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. However, in response to this, the directors ensure the latest forecasted financial performance against the Profit and Sustainability criteria is consistently

W.W. (1990) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

monitored and updated as a minimum month on month, to mitigate the risk of such sanctions by maintaining a comfortable headroom position, ensuring decisions taken in light of such forecasting do not compromise a comfortable level of headroom.

Another financial risk arises as a result macro-economic factors which affect the value of the pound against the Euro. The group has entered forward contracts for certain specific amounts payable to mitigate the risk of higher payments as a result of an adverse fluctuation in the market. The impact on the foreign exchange rate between the Euro and 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, and therefore as the functional and presentation currency of these set of statutory accounts is the pound, transfer instalments stated in Euros per the transfer agreements are retranslated at the balance sheet date.

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.

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, via season ticket sales and seasonal 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.

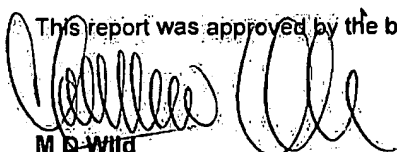
As most of the business is secured in advance of the start of the season, budgets can be prepared within defined key business parameters and hence working capital can be assessed and managed accordingly.

The W.W. (1990) Group continues to demonstrate effective working capital management with enough 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 International Limited have confirmed 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.

Ownership

The Group's ownership structure is the same as the prior year; immediately owned 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 Limited.

This report was approved by the board and signed on its behalf.



M D Wild
Secretary

Date: 26/02/2021

W.W. (1990) LIMITED

SECTION 172 STATEMENT AS AT 31 MAY 2020

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of all of its members as a whole both in the current period and in the long term.

In discharging their duties above, the directors carefully consider, amongst other matters, the impact of their decisions on various stakeholder groups. The groups we consider in this regard are our employees, our customers, our suppliers and our shareholders as well as the wider community in which we operate. The directors recognise that building strong relationships with our stakeholders will help us to deliver our long-term strategy in line with our core values and operate the business in a sustainable way. We are committed to conducting business responsibly. The directors do not believe that there have been any key decisions faced during the year which require specific reference and have had significant impact on any of the company's stakeholder groups.

Fans

Our supporters are the heartbeat of the football club; their passionate and loyal support is appreciated by everyone at the club and is never taken for granted.

Whilst our fanbase continues to grow it is important for us to ensure that every action taken has the core aim of improving team performances and increasing engagement with all sections of the fanbase, ensuring supporters can remain connected with their club.

The Covid-19 pandemic has led to matches being played without supporters present, creating unprecedented challenges in regard to fan engagement. In response, we made the decision to suspend the sale of all match tickets so that our supporters would not need to pay for a ticket that they might not be able to use, before launching a number of initiatives to increase supporter engagement during a challenging time for our society, and our community.

When the country went into lockdown in March, Wolves and the Wolves Foundation sprung into action to support our most vulnerable supporters. A group of dedicated staff volunteers and former players made more than 1,000 phone calls every week, starting with the club's oldest season ticket holders and working through the club's database. As well as checking in and having a chat, each supporter was also offered the opportunity of assistance with groceries and prescription collections if they were isolating and without friends and family support.

We also launched a service called Pack Reconnected, which aimed to connect those supporters who have sat together at matches for many years, but perhaps were not in contact away from Molineux. This proved a big success and provided a new support bubble for many fans.

A host of new content services were launched by the club's media department, including a new Matchday Live Extra online TV show built around matches, multiple new content streams featuring games, moments and players past and present, and an online version of the matchday programme, which continued to be produced throughout the pandemic's behind closed doors matches.

Disabled supporters were also prioritised with personal care calls throughout the pandemic, while an audio version of the matchday programme produced and audio description commentary provided for all matches.

Since fans have been unable to attend fixtures, we have held numerous fan consultation meetings with a diverse cross-section of our fanbase, including season ticket holders, domestic supporter clubs and representatives from Worldwide Wolves.

Supporters were consulted on the stadium dressing used for behind closed doors fixtures, with fan art used across each stand at Molineux, and a giant crowd mosaic featuring the faces of more than 6,000 supporters adorning the famous South Bank.

W.W. (1990) LIMITED

Employees

Directors receive information on various staff metrics such as monthly headcount, which includes starters and leavers. The directors are committed to promoting a healthy workforce comprising of both physical and mental wellbeing, and the training ground canteen staff work with a nutritionist to provide healthy, interesting meals.

The club has a dedicated team of 'care callers' who provide mental health wellbeing support to staff and are themselves supported by specialist training. This was set up during the pandemic and will continue on a permanent basis.

The directors keep staff informed of the club's commercial progress through structured communication channels which include a quarterly business newsletter, regular club webinars, monthly new starter induction and a bi-annual all-staff meeting.

As holders of the Premier League's Equality Standard and members of the FA's Football Leadership Diversity Code, the directors enjoy and feel duty-bound to promote inclusion in the workplace. The club has an equality working group and a team of equality ambassadors and the directors promote safeguarding awareness and safer recruitment of young people.

The directors provide opportunities for training and development where they are considered of benefit to the company and employees, and the club has an e-learning platform with mandatory content such as safeguarding, security and health and safety. The club has also recently run an offsite year-long management development programme and engages with an external partner to provide bespoke coaching for senior leaders.

Using the company's recruitment and development strategies, the directors seek to attract and retain talented staff. The club has a devoted recruitment and onboarding specialist who partners with the hiring managers to provide advice and guidance on hiring the best talent and then retaining it.

Commercial partners

The directors and senior management commit considerable time, effort and resources into developing, activating and delivering for our commercial partners, with a view to fostering long-term mutually beneficial partnerships. We are a challenger club for challenger brands, and we seek to partner with organisations that dare to be different and challenge the status quo.

We drive innovation and pursue every venture with a dynamic and progressive purpose. We act to service our partner's needs to the highest standards aiming to add value beyond traditional commercial partnerships.

Suppliers

The directors have established company procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the company. The company seeks to pay all suppliers any undisputed amounts due and that conform with the company's billing requirements within agreed terms. The company has established procedures for dispute resolution in a timely and fair manner.

Regulatory bodies

The company is regulated by the FA, the Premier League, UEFA and FIFA. The company actively engages with all regulatory bodies ensuring transparent compliance at all times.

Community and the environment

The company takes its role within the community very seriously and promotes and encourages community and charitable contribution, primarily through its charitable arm Wolves Foundation.

When the Covid-19 pandemic hit the UK and lockdown began, Wolves Foundation immediately curtailed the face-to-face delivery of their wide-range of projects, taking many services online and helping in the local community with fundraising, volunteering, and the distribution of over 10,000 PPE items.

W.W. (1990) LIMITED

Wolves and Wolves Foundation engaged and supported the people of Wolverhampton in the wake of the coronavirus pandemic by launching Wolves at Home, check in & chat, and the Wolves Pen Pal scheme. Furthermore, Wolves Foundation handed over the keys to their Foundation Arena to support Aldersley Leisure Village's transformation into a food hub for 33,000 vulnerable people. The Arena was used to help aid the huge relief effort being undertaken by Wolverhampton Council.

Most recently, Wolves Foundation launched Feed Our Pack, a project that aims to help reduce the effects of food poverty and support residents of Wolverhampton who have been affected by the Covid-19 pandemic. Supported financially by the Premier League, head coach Nuno Espirito Santo and donations from supporters, Feed Our Pack aids selected foodbanks in the city, with the aim of increasing the volume of food being distributed to meet increased demand caused by the pandemic, along with combating 'holiday hunger' by providing a programme of food, sport and education to local children during school holidays.

The company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

The company has recently entered into an agreement with a supplier to use only 100 per cent renewable electricity generated from natural resources including the sun, wind and sea, whilst 85 per cent of all the club's waste is recycled by a waste management company at their state-of-the-art recycling plant.

Shareholders

The directors endeavour to create value for our ultimate shareholders by ensuring the company's performance remains strong as well as sustainable. The directors adhere to the company's long term strategic plan when making operational decisions.

W.W. (1990) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present their report and the financial statements for the year ended 31 May 2020.

Results and dividends

The loss for the year, after taxation, amounted to £39,276,000 (2019 - profit £19,469,000).

The directors are unable to recommend payment of a dividend (2019: - £Nil).

Directors

The directors who served during the year were:

Y Shi

X Sun (resigned 9 April 2020)

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.

Future developments

Future developments have been disclosed as part of the Strategic Report.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption for the year are:

| | |
|---|-------------------------|
| Scope 1 emissions: | 941 tCO ₂ e |
| Scope 2 emissions: | 1301 tCO ₂ e |
| Total Scope 1 & 2 emissions | 2242 tCO ₂ e |
| Energy consumption used to calculate the above emissions: | 10018194 kWh |
| Intensity ratio tCO ₂ e / £m turnover | 16.9 |
| Intensity ratio tCO ₂ e / home matches | 93.4 |

Methodology used

WWFC has collated data relating to its scope one and scope two emissions and energy use for activities over which it has financial control.

All of WWFCs' Emissions and Energy Use relates to UK activities, there are no overseas activities.

The largest element of the emissions generated by WWFC are electricity and gas usage at the Molineux and training ground.

Emissions and energy efficiency actions.

For several years now WWFC has proactively managed its energy and water consumption. At the start of 2018 WWFC engaged with Hospitality Energy Saving to establish a formal energy reduction strategy for the business. This strategy whilst still in its early days has led to the implementation of a comprehensive metering system that tracks energy usage across each area of its buildings. This has enabled BMS systems to be optimized and unnecessary consumption to be eliminated during quieter operational periods. LED lighting and energy efficient boilers have been introduced together with Energy Champions that help control energy usage in each area of the business.

W.W. (1990) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

Engagement with employees

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

Disabled employees

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.


Post balance sheet events

Details of post-year end trading are set out in note 31 to the financial statements.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M D Wild
Secretary

Date: 26/02/2021

W.W. (1990) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2020**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

W.W. (1990) LIMITED

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

Opinion

We have audited the financial statements of W.W. (1990) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2020, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

W.W. (1990) LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

W.W. (1990) LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: **27/2/2021**

W.W. (1990) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2020**

| | Note | Operations excluding player amortisation & trading £'000 | Player amortisation & trading £'000 | 2020 £'000 | 2019 £'000 |
|---|------|---|--|------------------|------------------|
| Turnover | 4 | 132,609 | - | 132,609 | 172,464 |
| Operating expenses | | <u>(125,478)</u> | <u>(51,917)</u> | <u>(177,395)</u> | <u>(162,391)</u> |
| Operating (loss)/profit | 5 | 7,131 | (51,917) | (44,786) | 10,073 |
| Profit on disposal of player registrations | | <u>-</u> | <u>9,520</u> | <u>9,520</u> | <u>11,872</u> |
| (Loss)/profit before net financing | 5 | <u>7,131</u> | <u>(42,397)</u> | (35,266) | 21,945 |
| Interest receivable and similar income | | | | 121 | 21 |
| Interest payable and similar charges | 9 | | | <u>(4,812)</u> | <u>(2,003)</u> |
| (Loss)/profit before taxation | | | | (39,957) | 19,963 |
| Tax on (loss)/profit | 10 | | | <u>681</u> | <u>(494)</u> |
| (Loss)/profit for the financial year | | | | <u>(39,276)</u> | <u>19,469</u> |

The notes on pages 20 to 41 form part of these financial statements.

Player trading consists primarily of amortisation costs of acquiring player registrations, 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
REGISTERED NUMBER: 02487393

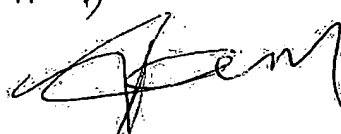
CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2020

| | Note | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|---|------|---------------|------------------|---------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 11 | | 163,540 | | 102,385 |
| Tangible assets | 12 | | 64,436 | | 62,670 |
| | | | <u>227,976</u> | | <u>165,055</u> |
| Current assets | | | | | |
| Stocks | 14 | 798 | | 353 | |
| Debtors (£6,609,000 due in more than 1 year, 2019 : £2,368,000) | 15 | 25,603 | | 37,302 | |
| Cash at bank and in hand | | 27,228 | | 28,003 | |
| | | <u>53,629</u> | | <u>65,658</u> | |
| Creditors: amounts falling due within one year | 16 | (252,467) | | (210,343) | |
| Net current liabilities | | | <u>(198,838)</u> | | <u>(144,685)</u> |
| Total assets less current liabilities | | | <u>29,138</u> | | <u>20,370</u> |
| Creditors: amounts falling due after more than one year | 17 | | (70,854) | | (25,495) |
| Provisions for liabilities | | | | | |
| Other provisions | 19 | | (2,765) | | (80) |
| Net liabilities | | | <u>(44,481)</u> | | <u>(5,205)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 78,000 | | 78,000 |
| Revaluation reserve | 21 | | 8,194 | | 8,380 |
| Capital contribution reserve | 21 | | 708 | | 708 |
| Profit and loss account | 21 | | (131,383) | | (92,293) |
| | | | <u>(44,481)</u> | | <u>(5,205)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Y Shi
Director

Date: 26/02/2021



The notes on pages 20 to 41 form part of these financial statements.

W.W. (1990) LIMITED
REGISTERED NUMBER: 02487393

COMPANY BALANCE SHEET
AS AT 31 MAY 2020

| | Note | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|--|------|--------------|-----------------|--------------|-----------------|
| Fixed assets | | | | | |
| Investments | 13 | | 10,000 | | 10,000 |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 15 | 127,462 | | 130,967 | |
| Creditors: amounts falling due within one year | 16 | (127,511) | | (131,004) | |
| Net current liabilities | | | (49) | | (37) |
| Net assets | | | <u>9,951</u> | | <u>9,963</u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 78,000 | | 78,000 |
| Capital contribution reserve | 21 | | 708 | | 708 |
| Profit and loss account brought forward | | (68,745) | | (68,733) | |
| Loss for the year | | (12) | | (12) | |
| Profit and loss account carried forward | | | <u>(68,757)</u> | | <u>(68,745)</u> |
| | | | <u>9,951</u> | | <u>9,963</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Y Shi
Director



Date: 26/02/2021

The notes on pages 20 to 41 form part of these financial statements.

W.W. (1990) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

| | Called up share capital £000 | Capital contribution reserve £000 | Revaluation reserve £000 | Profit and loss account £000 | Total equity £000 |
|----------------------------------|---|--|---|---|------------------------------|
| At 1 June 2018 | 78,000 | 708 | 8,566 | (111,948) | (24,674) |
| <i>Profit for the year</i> | - | - | - | 19,469 | 19,469 |
| <i>Transfer between reserves</i> | - | - | (186) | 186 | - |
| At 1 June 2019 | 78,000 | 708 | 8,380 | (92,293) | (5,205) |
| <i>Loss for the year</i> | - | - | - | (39,276) | (39,276) |
| <i>Transfer between reserves</i> | - | - | (186) | 186 | - |
| At 31 May 2020 | 78,000 | 708 | 8,194 | (131,383) | (44,481) |

The notes on pages 20 to 41 form part of these financial statements.

W.W. (1990) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

| | Called up share capital | Capital contribution reserve | Profit and loss account | Total equity |
|--------------------------|------------------------------------|---|------------------------------------|---------------------|
| | £000 | £000 | £000 | £000 |
| At 1 June 2018 | 78,000 | 708 | (68,733) | 9,975 |
| Loss for the year | - | - | (12) | (12) |
| At 1 June 2019 | 78,000 | 708 | (68,745) | 9,963 |
| Loss for the year | - | - | (12) | (12) |
| At 31 May 2020 | 78,000 | 708 | (68,757) | 9,951 |

The notes on pages 20 to 41 form part of these financial statements.

W.W. (1990) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2020**

| | 2020 £000 | 2019 £000 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (39,957) | 19,963 |
| Adjustments for: | | |
| Amortisation of other intangible assets | 22 | 2 |
| Depreciation of tangible assets | 2,908 | 2,309 |
| Loss on disposal of tangible assets | - | 46 |
| Interest paid | 4,812 | 2,003 |
| Interest received | (121) | (21) |
| (Increase) in stocks | (445) | (228) |
| Decrease/(increase) in debtors | 11,699 | (20,207) |
| Increase/(decrease) in creditors | 66,600 | (38,203) |
| (Decrease)/increase in amounts owed to groups | (3,491) | 56,000 |
| Increase/(decrease) in provisions | 2,685 | (1,208) |
| Corporation tax received | 187 | - |
| Amortisation of players' registration | 51,917 | 32,523 |
| Impairment of players' registration | - | 5,201 |
| Profit on disposal of players' registrations | (9,520) | (11,872) |
| Net cash generated from operating activities | 87,296 | 46,308 |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets (players 2020: £118,442,000, 2019: £80,149,000) | (118,522) | (80,187) |
| Sale of players | 14,948 | 14,480 |
| Purchase of tangible fixed assets | (4,674) | (10,791) |
| Interest received | 121 | 21 |
| Net cash from investing activities | (108,127) | (76,477) |

W.W. (1990) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020

| | 2020 | 2019 |
|---|----------------|---------------|
| | £000 | £000 |
| Cash flows from financing activities | | |
| New loans from third parties | 24,875 | - |
| Repayment of finance leases | (7) | (20) |
| New loans from group companies | - | 56,000 |
| Interest paid | (4,812) | (103) |
| Net cash used in financing activities | 20,056 | 55,877 |
| Net (decrease)/increase in cash and cash equivalents | (775) | 25,708 |
| Cash and cash equivalents at beginning of year | 28,003 | 2,295 |
| Cash and cash equivalents at the end of year | 27,228 | 28,003 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 27,228 | 28,003 |

W.W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. General information

W.W. (1990) Limited is a private company (limited by shares) incorporated and registered in England and Wales, registration number 02487393. The registered office and principal trading address is Molineux Stadium, Waterloo Road, Wolverhampton, West Midlands, WV1 4QR.

The principal activity of the company during the year was that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

In assessing the appropriateness of the going concern assumption, the directors have produced a detailed cash flow forecast which extends to the end of the 2021/2022 football season. These acknowledge that the global and UK outbreak of COVID-19 has had a profound impact on the 2019/20 and 2020/21 football seasons in a number of respects. The forecasts are dependent on Fosun International Limited not seeking repayment of amounts currently due to them. Fosun International Limited has indicated its intention to continue to make available such funds as are needed by the group, and that it does not intend to seek repayment of the amounts due at balance sheet date, for the period covered by the forecasts.

At the time of issue of these financial statements, the Premier League 2020/21 season is ongoing, albeit with the Club's home fixtures being completed without attendances, as reflected in the cash flow forecast.

In addition, the financial impact of the anticipated rebate owed to the broadcasters has been reflected within both the financial statements for the year-ended 31 May 2020 and the year-ended 31 May 2021 and is included within the cash flow forecast. The directors have concluded, after reviewing the

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.3 Going concern (continued)

work performed and detailed above, that they can adopt the going concern basis in preparing these financial statements.

2.4 Turnover

Turnover represents League distributions, gate receipts, sponsorship, advertising 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 League distributions and broadcasting revenues are recognised over the duration of the football season whilst facility fees for live coverage or highlights are recognised when the match is played and broadcasted.

In respect of the conclusion of the 2019/20 Premier League season, the group's turnover is net of a rebate to broadcasters relating to the reduction in commercial value to have arisen from playing nice matches behind closed doors. Consequently, the rebate has been apportioned to the appropriate revenue streams, resulting in a reduction of broadcasting turnover pro-rata to the proportion of games played behind closed doors at the Balance sheet date.

2.5 Deferred income

Revenues received in advance relate primarily to season tickets sold in advance and are credited to deferred income and released to the profit and loss account over the period to which they relate.

2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Grants

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

2.9 Interest income and interest payable

Interest income and interest payable is recognised in profit or loss using the effective interest method.

W.W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.10 Pensions

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expenses in the profit and loss account in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments in the balance sheet.

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible 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.

2.13 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.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.14 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 23).

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-----------------------|---------|
| Stadium development | - 2% |
| Training facilities | - 2-20% |
| Car park | - 2% |
| Plant and equipment | - 10% |
| Motor vehicles | - 20% |
| Fixtures and fittings | - 12.5% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

2.20 Foreign currencies

The financial statements of the group and company are presented in pound sterling as it is the primary economic environment in which the group and company operates.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Foreign exchange differences arising in translation are recognised in the profit and loss account.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 2, 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 in 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 estimation (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.

Valuation of player registrations

The net book value of player registrations includes the directors' judgement of the recoverable value, and the existence of any indicators of impairment, particularly for players who are not involved in the first team affairs or are in their development phase. Where in the opinion of the directors the recoverable value of a player registration is less than the net book value, an impairment adjustment is made.

Anticipated final league position

As a consequence of the season having not concluded at the balance sheet date, an estimate was required as to the Club's anticipated final league position based on points as at balance sheet date. This estimate impacted both accrued broadcasting turnover, specifically the merit element, and accrued costs of sales, specifically performance-related bonuses.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the balance sheet date, which have a 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 provision 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 company 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 prior year, 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 year end of the year under review and have not identified any indicators that the valuation performed during the prior year would significantly differ from the valuation at the balance sheet date.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2020 £000 | 2019 £000 |
|-----------------------------|----------------|----------------|
| Gate receipts | 12,703 | 11,539 |
| Sponsorship and advertising | 11,922 | 15,323 |
| Broadcasting rights | 23,329 | 18,654 |
| Commercial | 10,541 | 10,578 |
| League distribution | 72,484 | 114,670 |
| Other turnover | 1,630 | 1,700 |
| | <u>132,609</u> | <u>172,464</u> |

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Depreciation of owned assets | 2,908 | 2,297 |
| Depreciation of leased assets | - | 12 |
| Amortisation of player's registrations | 51,917 | 32,523 |
| Amortisation of other intangible assets | 22 | 2 |
| Provision for impairment of intangible assets | - | 5,201 |
| Release of contingent appearance fee provision | - | (26) |
| Profit on disposal of player registrations | (9,520) | (11,872) |
| Loss on disposal of fixed assets | - | 46 |
| Amortisation of grants | (24) | (24) |
| Operating lease rentals | 31 | 208 |
| | <u>31</u> | <u>208</u> |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

6. Auditor's remuneration

| | 2020 £000 | 2019 £000 |
|--|----------------------|----------------------|
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements | 47 | 39 |
| Fees payable to the Group's auditor in respect of: | | |
| Taxation compliance services | 15 | 13 |
| All other services | 5 | - |

7. Employees

Staff costs, including directors' remuneration, were as follows:

| | Group 2020 £000 | Group 2019 £000 |
|-----------------------|--------------------------------|--------------------------------|
| Wages and salaries | 83,120 | 80,842 |
| Social security costs | 11,363 | 11,148 |
| Pension | 218 | 141 |
| | 94,701 | 92,131 |

Due to the football season being ongoing at year end, included above is a player bonus provision of £1.7m (2019:£Nil).

The average monthly number of employees, including the directors, during the year was as follows:

| | 2020 No. | 2019 No. |
|-------------------|---------------------|---------------------|
| Playing staff | 83 | 87 |
| Non-playing staff | 297 | 278 |
| | 380 | 365 |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

8. Directors' remuneration

The directors receive the below emoluments but it is not practical to allocate this between their services as executives of W.W. (1990) Limited and their services as directors of Wolverhampton Wanderers FC (1986) Limited and Wolverhampton Wanderers Properties Limited.

| | 2020 | 2019 |
|-----------------------|-------------|-------------|
| | £000 | £000 |
| Directors' emoluments | 556 | 470 |

During the year retirement benefits were accruing to 1 director (2019 - *NIL*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £520,000 (2019 - £470,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

The directors do not consider there to be any key management personnel other than the directors (2019 - same).

9. Interest payable and similar expenses

| | 2020 | 2019 |
|------------------------|--------------|--------------|
| | £000 | £000 |
| Bank interest payable | 4,812 | 2,002 |
| Finance lease interest | - | 1 |
| | 4,812 | 2,003 |

10. Taxation

| | 2020 | 2019 |
|---|--------------|-------------|
| | £000 | £000 |
| Corporation tax | | |
| Current tax on profits for the year | - | 494 |
| Adjustments in respect of previous periods | (681) | - |
| | (681) | 494 |
| Taxation on (loss)/profit on ordinary activities | (681) | 494 |

W.W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| (Loss)/profit on ordinary activities before tax | (39,957) | 19,963 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | (7,592) | 3,793 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 11 | 27 |
| Deferred tax not recognised | 7,713 | (3,074) |
| Fixed asset differences | 260 | 109 |
| Effect of change in rates | (1,197) | (361) |
| Adjustments to tax charge in respect of prior periods | (681) | - |
| Chargeable losses | (74) | - |
| Losses carried back | 881 | - |
| Other permanent differences | (2) | - |
| Total tax charge for the year | (681) | 494 |

Factors that may affect future tax charges

The group has tax losses to carry forward of £103,510,000 (2019: £74,056,000).

The potential deferred tax asset of £21,956,000 (2019: £11,946,000), which arises largely due in respect of losses carry forward has not been recognised as it is not anticipated that there will be sufficient taxable profits generated in the future against which the losses may be offset.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

11. Intangible assets

Group and Company

| | Players' registrations £000 | Development costs £000 | Licences £000 | Total £000 |
|-----------------------|--|---------------------------------------|--------------------------|-----------------------|
| Cost | | | | |
| At 1 June 2019 | 152,321 | 24 | 14 | 152,359 |
| Additions | 118,442 | 80 | - | 118,522 |
| Disposals | (14,793) | - | - | (14,793) |
| At 31 May 2020 | 255,970 | 104 | 14 | 256,088 |
| Amortisation | | | | |
| At 1 June 2019 | 49,972 | 1 | 1 | 49,974 |
| Charge for the year | 51,917 | 21 | 1 | 51,939 |
| On disposals | (9,365) | - | - | (9,365) |
| At 31 May 2020 | 92,524 | 22 | 2 | 92,548 |
| Net book value | | | | |
| At 31 May 2020 | 163,446 | 82 | 12 | 163,540 |
| At 31 May 2019 | 102,349 | 23 | 13 | 102,385 |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

12. 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 or valuation | | | | | | |
| At 1 June 2019 | 48,227 | 14,242 | 8,892 | 763 | 8,258 | 80,382 |
| Additions | 1,631 | 895 | 1,527 | - | 621 | 4,674 |
| At 31 May 2020 | 49,858 | 15,137 | 10,419 | 763 | 8,879 | 85,056 |
| Depreciation | | | | | | |
| At 1 June 2019 | 5,301 | 1,627 | 5,660 | 213 | 4,911 | 17,712 |
| Charge for the year | 964 | 529 | 807 | 13 | 595 | 2,908 |
| At 31 May 2020 | 6,265 | 2,156 | 6,467 | 226 | 5,506 | 20,620 |
| Net book value | | | | | | |
| At 31 May 2020 | 43,593 | 12,981 | 3,952 | 537 | 3,373 | 64,436 |
| At 31 May 2019 | 42,926 | 12,615 | 3,232 | 550 | 3,347 | 62,670 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2020 £000 | 2019 £000 |
|---------------------|----------------------|----------------------|
| Plant and machinery | - | 60,000 |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

13. Fixed asset investments

Company

| | Investments in subsidiary companies £000 |
|--------------------------|---|
| Cost or valuation | |
| At 1 June 2019 | 14,660 |
| At 31 May 2020 | 14,660 |
| Impairment | |
| At 1 June 2019 | 4,660 |
| At 31 May 2020 | 4,660 |
| Net book value | |
| At 31 May 2020 | 10,000 |
| At 31 May 2019 | 10,000 |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|---|--|----------------------------|----------------|
| Wolverhampton Wanderers F.C. (1986) Limited | Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR | Ordinary | 100% |
| Wolverhampton Wanderers Properties Limited | Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR | Ordinary | 100% |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

14. Stocks

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|-----------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Goods held for resale | 798 | 353 | - | - |

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

15. Debtors

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|------------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Trade debtors | 1,279 | 9,337 | - | - |
| Amounts owed by group undertakings | - | - | 127,462 | 130,967 |
| Other debtors | 18,526 | 14,520 | - | - |
| Prepayments and accrued income | 5,798 | 13,445 | - | - |
| | 25,603 | 37,302 | 127,462 | 130,967 |

All debtors are due within one year, other than amounts due from group undertakings and other debtors totalling £6,609,000 (2019 : £2,368,000) relating to transfer of player registrations.

Debtors relating to player trading of £17,481,000 (2019 : £11,601,000) are included in other debtors.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

16. Creditors: Amounts falling due within one year

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|---|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Bank loans | 1,179 | - | - | - |
| Trade creditors | 1,658 | 1,424 | - | - |
| Amounts owed to group undertakings | 127,509 | 131,000 | 127,509 | 131,000 |
| Corporation tax | - | 494 | - | - |
| Other taxation and social security | 16,728 | 11,819 | - | - |
| Obligations under finance lease and hire purchase contracts | - | 7 | - | - |
| Other creditors, accruals and deferred income | 105,393 | 65,599 | 2 | 4 |
| | 252,467 | 210,343 | 127,511 | 131,004 |

The amounts due on finance leases are secured on the assets to which they relate.

Amounts payable in respect of player trading of £54,868,000 (2019: £31,317,000) are included within other creditors.

The amounts due to parent undertakings are repayable on demand. No interest is charged on this creditor.

17. Creditors: Amounts falling due after more than one year

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|-----------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Bank loans | 23,696 | - | - | - |
| Other creditors | 46,242 | 24,555 | - | - |
| Deferred grant income | 916 | 940 | - | - |
| | 70,854 | 25,495 | - | - |

Amounts payable in respect of player trading of £46,169,000 (2019: £24,454,000) are included within other creditors.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

Creditors: Amounts falling due after more than one year (continued)

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Deferred grant income | | |
| At 1 June 2019 | 940 | 964 |
| Released to profit and loss account | (24) | (24) |
| | 916 | 940 |

18. Loans

Analysis of loan maturity is given below:

| | Group 2020 £000 | Group 2019 £000 |
|--|-----------------------|-----------------------|
| Amounts falling due within one year | | |
| Bank loans | 1,179 | - |
| Amounts falling due 2-5 years | | |
| Bank loans | 23,696 | - |
| | 24,875 | - |

The bank loan is repayable over a three year term and carries interest at 4.485% per annum. The loan is secured on the future Premier League broadcast revenue.

19. Provisions

Group

| | Contingent appearance fees £000 | Player bonus provision £000 | Total £000 |
|---|--|--------------------------------------|---------------|
| At 1 June 2019 | 80 | - | 80 |
| Created in the year | 911 | 1,737 | 2,648 |
| Impact of foreign exchange retranslation/deemed finance expense | 37 | - | 37 |
| At 31 May 2020 | 1,028 | 1,737 | 2,765 |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

20. Share capital

| | 2020 £000 | 2019 £000 |
|--|---------------|---------------|
| Allotted, called up and fully paid | | |
| 48 (2019 - 48) Ordinary A shares shares of £1,000,000 each | 48,000 | 48,000 |
| 30,000,000 (2019 - 30,000,000) Ordinary B shares 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 as 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 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 then the first £78 million of net assets shall be distributed to Ordinary B Shareholders, and thereafter as per the articles of association.

21. Reserves

Capital contribution reserve

Relates to amounts contributed to the group by their parent undertakings with no attached encumbrances.

Revaluation reserve

Represents the cumulative effect of revaluations of freehold land and buildings which were revalued to fair value at each reporting date, prior to an accounting policy change on adoption of FRS 102, whereby such classes of asset were valued at deemed cost.

Profit and loss account

Relates to accumulated profits and losses.

22. Contingent liabilities

At 31 May 2020 the group had a liability to pay up to £20,835,000 (2019: £13,658,000) to other clubs in respect of players under contract, contingent upon the occurrence of a number of factors but principally future first team and international appearances and on field playing success.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

23. Financial Instruments

| | Company 2020 £000 | Company 2019 £000 |
|--|----------------------------------|----------------------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 10,000 | 10,000 |

Financial assets measured at fair value comprise investments.

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

| | 2020 £000 | 2019 £000 |
|--|----------------------|----------------------|
| Interest expense | | |
| On financial liabilities | (4,812) | (2,002) |
| On financial liabilities at amortised cost | - | (1) |
| | (4,812) | (2,003) |

24. Analysis of net debt

| | At 1 June 2019 £000 | Cash flows £000 | Other non- cash changes £000 | At 31 May 2020 £000 |
|--------------------------|------------------------------------|----------------------------|---|------------------------------------|
| Cash at bank and in hand | 28,003 | (775) | - | 27,228 |
| Debt due after 1 year | - | (24,875) | 299 | (24,576) |
| Debt due within 1 year | - | - | (299) | (299) |
| Finance leases | (7) | 7 | - | - |
| | 27,996 | (25,643) | - | 2,353 |

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

25. Capital commitments

At 31 May 2020 the Group and Company had capital commitments as follows:

| | Group 2020 £000 | Group 2019 £000 |
|---------------------------------|--------------------------------|--------------------------------|
| Contracted for but not provided | | |
| - Fixtures and fittings | 797 | 4,301 |
| - Intangible assets | - | 49,290 |

Committed expenditure relating to fixtures and fittings can be attributed to the improvements to Molineux Stadium facilities and improvements to Compton training ground facilities. Intangible assets relate to players where an option to purchase has been exercised prior to the balance sheet date.

26. Pension commitments

Certain employees of the company are members of either the Football League Limited Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. As the company is one of many participating employers in the FLLPLAS it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expenses 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 as per the latest triennial review.

At 31 August 2017, an MFR deficit was identified in the scheme, of which £100,000 was attributable to Wolverhampton Wanderers Football Club (1986) Limited at 31 May 2020 (£2019: £126,000).

Total costs relating to the defined contribution schemes in the year are £210,000 (2019: £141,000) and at the year end there were outstanding contributions of £126,000 (2019: £45,000).

27. Commitments under operating leases

At 31 May 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Not later than 1 year | | | 31 | 3 |
| Later than 1 year and not later than 5 years | | | 32 | 71 |
| | | | 63 | 74 |

W.W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

28. Related party transactions

During the year the group has received £6,000,000 (2019: £57,000,000) loans from Fosun Industrial Holdings Limited, an indirect 100% shareholder of W.W.(1990) Limited, who form part of the Fosun International Limited group. The club received £1,000,000 (2019: £Nil) in sponsorship from Fosun Industrial Holdings and in 2019 the club also received £1,000,000 naming rights for Compton training ground from Fosun Industrial Holdings Limited. There were also recharges of £2,494,633(2019: £Nil). At the balance sheet date, W.W. (1990) Limited owed £127,509,000 (2019: £131,000,000) to Fosun Industrial Holdings Limited.

During the year under review, the group has received corporate sponsorship revenues from Club Med SAS, a fellow subsidiary of the Fosun International Limited group, totaling £30,000 (2019: £30,000). The outstanding balance at year end was £18,000 (2019: £Nil),

During the year under review the group has received corporate hospitality revenues from William Gough & Sons Limited, an entity controlled by John Gough, director of Wolverhampton Wanderers Football Club (1986) Limited, totalling £3,155 (2019: £20,000). The outstanding balance at year end was £Nil (2019: £Nil).

During the year under review the group has received corporate hospitality revenues from John Bowater, director of Wolverhampton Wanderers Football Club (1986) Limited totalling £34,000 (2019: £8,000). The outstanding balance at year end was £Nil (2019: £Nil).

In the prior year the group received corporate hospitality and other commercial revenues from Fosun International Limited, parent of the largest group of which the group are a member of for which group financial statements are prepared, totalling £11,000. The outstanding balance at both year ends was £Nil.

During the year under review the group has received corporate hospitality and other commercial revenues from Fosun Management (UK) Limited, a fellow subsidiary of Fosun International Limited group, totalling £Nil (2019: £6,000). The group have also recharged professional services to Fosun Management (UK) Limited, totalling £299 (2019: £4,000). The outstanding balance at year end was £Nil (2019: £7,000).

During the year under review the group has received corporate hospitality and merchandise revenues from Foyo Culture and Entertainment, a related party due to Xu Xiaoliang being a director of both Foyo Culture and Entertainment as well as Fosun International Limited, of £40,544 (2019: £Nil). The group has also made recharges of £10,749 (2019: £Nil).

29. Post balance sheet events

Since the year end, the group has sold player registrations recorded as intangible assets with a value at the balance sheet date of £12,772,000 (2019: £123,000). In addition, the group has acquired player registrations with the value of £82,868,000 (2019: £95,156,000) since the balance sheet date. Also since the balance sheet date the group has recognised a profit on sales of player registrations of £60,332,000 (2019: £2,566,000).

To help the group meet its working capital requirements since the year end it has increased its financing facilities from £50 million to £75 million. These facilities now comprise a £60 million term loan and a £15 million Revolving Credit facility. These facilities are repayable earlier if the Football Club is relegated from the FA Premier League.

W.W. (1990) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

30. Ultimate parent 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 Castr 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 at www.fosun.com.