

W. W. (1990) LIMITED

Annual Report and Consolidated Financial

Statements

For the year ended 31 May 2018



W. W. (1990) LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	7
Independent auditor's report	8
Consolidated profit and loss account	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated cash flow statement	16
Notes to the financial statements	17

W. W. (1990) LIMITED

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
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

AUDITOR

KPMG LLP
Statutory Auditor & Chartered Accountants
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

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 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 club competed in the Football League Championship. This year showed some strong investment into developing the squad, and the appointment of a new Head Coach, Nuno Espirito Santo, resulted in a successful season, with the club gaining promotion as champions of the EFL Championship, finishing on 99 points, nine ahead of their nearest rival. The club have invested further in the squad and the supporting infrastructure and facilities throughout the summer and have made a promising start to life in the Premier League in 2018/19.

Turnover for the year reached £26.4m (2017: £23.8m), which is driven by improvements to match attendances, because of successful on pitch performance.

Season ticket numbers increased significantly to 21,233 by the end of the 2017/18 season (2017: 13,757) with our average league attendances increased to 28,298 compared to 21,572 in the prior year resulting in an increase of £1.3m in ticketing income.

Revenue was further increased through an increase of £0.6m in merchandising revenues, and £0.4m increase in sponsorships and advertising, and £0.4m increase in corporate hospitality revenues. Such revenue increases more than offset the shortfall in prize money from the FA Cup run in 2016/17 season, which was not repeated in 2017/18.

Player trading in the year generated profit of £8.1m through disposal of players' registrations but this was outweighed by higher amortisation and impairment charges on player registrations of £16.1m, primarily driven by investments in the first team squad in recent years, including Neves, Costa, Cavaleiro and Saiss, resulting in a net Player Trading loss of £8.0m.

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

Throughout the year, the club was under the ownership of Fosun International Holdings Limited. Going forward, the aim for the club is to establish themselves as a strong competitor in the Premier League, which will be achieved through continued application of the footballing philosophy applied throughout the 2017/18 season, with strategic enhancements to the playing squad and development of academy players, supported by strategic alignment of the wider business, ensuring the business is consistent in its belief and application of the spirit and values established.

The directors have a continued commitment to continuously improve the club, from both a footballing and a wider operational and strategic perspective. Supported by promotion and a strong start in the Premier League, the directors consider prospects for the company to be excellent. At the time of signing the accounts, the club is currently in the top half of the table, which is an extremely strong position to be in for a newly promoted club.

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 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.

STRATEGIC REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT

The Groups' 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 Solidarity Payments from the EFL in addition to the Basic Award.

As is the case with all professional football clubs under the realm of the EFL and 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 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. Key events occurred in the year which had an adverse effect on the value of the pound, primarily the continued impact of the EU Referendum in 2016, which both resulted in a drop in the value of the pound. The Club has entered into 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.

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 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.

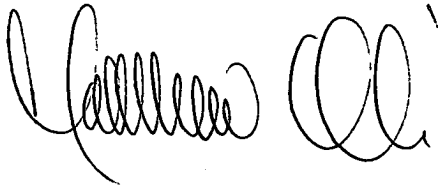
OWNERSHIP

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.

W. W. (1990) LIMITED

STRATEGIC REPORT

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

A handwritten signature in black ink, consisting of a series of loops and a final flourish.

M D Wild
Group Secretary
28 February 2019

W. W. (1990) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2018.

RESULTS AND DIVIDENDS

The directors are unable to recommend payment of a dividend (2017: £nil). The loss for the year of £57,164,000 has been debited to reserves (2017: £23,184,000 loss debited 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.

Y Shi
X Sun

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.

DIRECTORS' REPORT (continued)

AUDITOR

KPMG LLP was appointed as auditor during the period and have expressed their willingness to continue in office, therefore pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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.

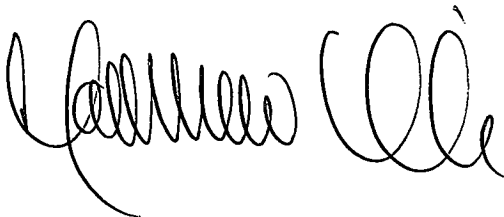
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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
Group Secretary
28 February 2019

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

W. W. (1990) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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 company") for the year ended 31 May 2018 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

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 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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

Going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Cawthray (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

28 February 2019

W. W. (1990) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2018

	Notes	Operations excluding player amortisation and trading £'000	Player amortisation and trading £'000	2018 £'000	2017 £'000
TURNOVER	4	26,400	-	26,400	23,752
Net operating expenses	6	(75,071)	(16,147)	(91,218)	(48,523)
OPERATING LOSS		(48,671)	(16,147)	(64,818)	(24,771)
Profit on disposal of players' registrations	7	-	8,123	8,123	2,219
LOSS BEFORE FINANCING	7	(48,671)	(8,024)	(56,695)	(22,552)
Interest receivable and similar income	8			9	3
Interest payable and similar charges	8			(478)	(635)
LOSS BEFORE TAXATION				(57,164)	(23,184)
Tax on loss before taxation	9			-	-
LOSS FOR THE FINANCIAL YEAR				(57,164)	(23,184)

The accompanying notes are an integral part of the 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

CONSOLIDATED BALANCE SHEET
As at 31 May 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Intangible assets	10	38,293	32,440
Tangible assets	11	54,234	53,069
		<u>92,527</u>	<u>85,509</u>
CURRENT ASSETS			
Stocks	13	125	170
Debtors	14	10,445	4,645
Cash at bank and in hand		2,295	3,245
		<u>12,865</u>	<u>8,060</u>
CREDITORS: amounts falling due within one year	15	(122,162)	(32,658)
NET CURRENT LIABILITIES		<u>(109,297)</u>	<u>(24,598)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(16,770)	60,911
CREDITORS: amounts falling due after more than one year	16	(6,614)	(27,681)
PROVISION FOR LIABILITIES	18	(1,290)	(740)
NET (LIABILITIES)/ASSETS		<u>(24,674)</u>	<u>32,490</u>
CAPITAL AND RESERVES			
Called up share capital	19	78,000	78,000
Capital contribution reserve		708	708
Revaluation reserve		8,566	8,752
Profit and loss account		(111,948)	(54,970)
SHAREHOLDERS' FUNDS		<u>(24,674)</u>	<u>32,490</u>

The accompanying notes are an integral part of the financial statements.

These financial statements of W.W. (1990) Limited, registered number 02487393, were approved by the Board of Directors and authorised for issue on 28 February 2019.

Signed on behalf of the Board of Directors



Y Shi
Director

W. W. (1990) LIMITED

COMPANY BALANCE SHEET
As at 31 May 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	12	10,000	10,000
CURRENT ASSETS			
Cash at bank and in hand		-	-
Debtors (£74,997,000 due in more than one year)	14	74,977	26,989
CREDITORS: amounts falling due within one year	15	(75,002)	(6,002)
NET CURRENT (LIABILITIES)/ASSETS		(25)	20,987
CREDITORS: amounts falling due after more than one year	16	-	(21,000)
NET ASSETS		<u>9,975</u>	<u>9,987</u>
CAPITAL AND RESERVES			
Called up share capital	19	78,000	78,000
Capital contribution reserve		708	708
Profit and loss account		(68,733)	(68,721)
SHAREHOLDERS' FUNDS		<u>9,975</u>	<u>9,987</u>

The accompanying notes are an integral part of the financial statements.

The loss for the financial year of the parent Company was £12,000 (2017: loss of £620,000).

These financial statements of W.W. (1990) Limited, registered number 02487393, were approved by the Board of Directors and authorised for issue on 28 February 2019.

Signed on behalf of the Board of Directors

Y Shi
Director



W. W. (1990) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 May 2018

	Called up share capital £'000	Capital contribution reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 2016	78,000	100	8,938	(31,972)	55,066
Profit 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	<u>78,000</u>	<u>708</u>	<u>8,752</u>	<u>(54,970)</u>	<u>32,490</u>
(Loss) for the financial year and total comprehensive income	-	-	-	(57,164)	(57,164)
Transfer between reserves	-	-	(186)	186	-
At 31 May 2018	<u><u>78,000</u></u>	<u><u>708</u></u>	<u><u>8,566</u></u>	<u><u>(111,948)</u></u>	<u><u>(24,674)</u></u>

The accompanying notes are an integral part of the financial statements.

W. W. (1990) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
As at 31 May 2018

	Called up share capital £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 June 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	<u>78,000</u>	<u>708</u>	<u>(68,721)</u>	<u>9,987</u>
(Loss) for the financial year and total comprehensive income	-	-	(12)	(12)
At 31 May 2018	<u><u>78,000</u></u>	<u><u>708</u></u>	<u><u>(68,733)</u></u>	<u><u>9,975</u></u>

W. W. (1990) LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 May 2018

	Note	2018 £'000	2017 £'000
Net cash flow from operating activities	20	(28,345)	(12,819)
Cash flows from investing activities			
Interest received and similar income		9	3
Purchase of tangible fixed assets		(2,812)	(981)
Sale of tangible fixed assets		-	-
Purchase of players		(25,080)	(14,745)
Sale of players		7,299	9,025
Net cash flows from investing activities		<u>(20,584)</u>	<u>(6,698)</u>
Cash flows from financing activities			
Finance leases		(19)	(20)
Interest paid		(2)	(26)
Loans received from parent		48,000	27,000
Net cash flows from financing activities		<u>47,979</u>	<u>26,954</u>
Net (decrease)/increase in cash and cash equivalents		(950)	7,437
Cash and cash equivalents at beginning of year		<u>3,245</u>	<u>(4,192)</u>
Cash and cash equivalents at end of year		<u><u>2,295</u></u>	<u><u>3,245</u></u>
Cash and cash equivalents at end of year:			
Cash at bank and in hand		<u>2,295</u>	<u>3,245</u>
		<u><u>2,295</u></u>	<u><u>3,245</u></u>

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 May 2018

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 4.

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.

Notwithstanding net current liabilities of £109,297,000 as at 31 May 2018, a loss for the year then ended of £57,164,000 and net cash outflows for the year of £950,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding Fosun International Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Fosun International Limited not seeking repayment of the amounts currently due to the group, which at 31 May 2018 amounted to £75,000,000, and providing additional financial support during that period. Fosun International Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period of at least 12 months from the date of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 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 earned. Merit awards are accounted for only when known at the end of the football season.

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 May 2018

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 18).

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 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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

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.

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.

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 May 2018

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

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.

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

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 £12,000 (2017: loss of £620,000).

4. TURNOVER

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

	2018 £'000	2017 £'000
Gate receipts	7,841	6,545
Sponsorship and advertising	2,609	3,883
Broadcasting rights	1,070	1,090
Commercial	6,255	3,702
League distributions	6,914	6,940
Other turnover	1,711	1,592
	<u>26,400</u>	<u>23,752</u>

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

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2018 £'000	2017 £'000
Directors' emoluments		
Remuneration	110	637
Pension contributions	-	22
	<u>110</u>	<u>659</u>

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

**5. INFORMATION REGARDING DIRECTORS
AND EMPLOYEES (CONTINUED)**

	2018	2017
	£'000	£'000
Highest paid director		
Remuneration	110	480
Pension contributions	-	14
	<u>110</u>	<u>494</u>

	2018	2017
	No.	No.
Average number of persons employed (including directors)		
Playing staff	89	74
Non-playing staff	230	208
	<u>319</u>	<u>282</u>

	2018	2017
	£'000	£'000
Staff costs during the year (including directors)		
Wages and salaries	44,616	24,866
Social security costs	5,897	3,224
Pension costs	196	145
	<u>50,709</u>	<u>28,235</u>

The number of directors who were members of a defined contribution scheme in the year was nil (2017: two). 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 (2017: same).

6. NET OPERATING EXPENSES

	2018	2017
	£'000	£'000
Net operating expenses comprise:		
Depreciation of owned assets	1,924	1,880
Depreciation of leased assets	14	15
Amortisation/impairment of players' registrations	16,147	7,613
Loss on disposal of fixed assets	3	171
Amortisation of grants	(24)	(24)
	<u>18,064</u>	<u>9,655</u>
Staff costs (note 5)	50,709	28,235
Other operating charges	22,445	10,633
Operating expenses	<u>91,218</u>	<u>48,523</u>

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

7. LOSS ON BEFORE FINANCING

Loss before taxation is stated after charging/(crediting):	2018 £'000	2017 £'000
Auditor's remuneration		
Audit fees – audit of the company's accounts	3	2
Audit fees – audit of the company's subsidiaries pursuant to legislation	36	35
Non-audit fees – tax compliance services	13	84
Depreciation of owned assets	1,924	1,880
Depreciation of leased assets	14	15
Amortisation/impairment of players' registrations	16,147	7,613
Cost of stock recognised as an expense	1,392	1,245
Release of contingent appearance fee provision	(402)	(505)
Profit on disposal of player registrations	(8,123)	(2,219)
Loss on disposal of fixed assets	3	171
Amortisation of grants	(24)	(24)
Operating leases		
Hire of plant and machinery	26	25
Hire of assets other than plant and machinery	132	200
	<u> </u>	<u> </u>

8. NET FINANCE EXPENSE

	2018 £'000	2017 £'000
<i>Interest receivable and similar income</i>		
Bank interest receivable	9	3
<i>Interest payable and similar charges</i>		
Bank interest payable	-	(24)
Interest payable on finance leases	(2)	(3)
Interest payable on loans from Parent	-	(608)
Deemed finance expense on player registrations	(476)	-
	<u> </u>	<u> </u>
Net finance expense	<u>(469)</u>	<u>(632)</u>

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 gross tax losses remaining to carry forward of £77,650,000 (2017: £32,115,000).

The standard rate of tax applied to reported losses on ordinary activities is 19 % (2017: 19.84%). 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:

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2018	2017
	£'000	£'000
The differences are explained below:		
Loss on before tax	(57,164)	(23,184)
Tax on loss at standard rate of 19% (2017: 19.84%)	(10,861)	(4,600)
Factors affecting charge:		
Expenses not deductible for tax purposes	30	232
Non-taxable income	-	(5)
Deferred tax not recognised	10,831	4,373
Total tax charge for the year	-	-

The potential deferred tax asset of £14,582,000 (2017: £7,445,000), 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.

	2018	2017
	£'000	£'000
Unutilised losses	13,196	5,460
Accelerated capital allowances	1,277	1,823
Other timing differences	109	162
Unrecognised deferred tax asset	14,582	7,445

10. INTANGIBLE FIXED ASSETS

Group	Players' registrations £'000
Cost	
At 1 June 2017	44,181
Additions	24,573
Disposals	(6,810)
At 31 May 2018	61,944
Amortisation	
At 1 June 2017	11,741
Charge for the year	13,037
Impairment for the year	3,110
Disposals	(4,237)
At 31 May 2018	23,651
Net book value	
At 31 May 2018	38,293
At 31 May 2017	32,440

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

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 2017	44,591	9,734	6,565	763	5,150	66,803
Additions	1,050	260	509	-	1,287	3,106
Disposals	-	-	(8)	-	-	(8)
At 31 May 2018	45,641	9,994	7,066	763	6,437	69,901
Accumulated depreciation						
At 1 June 2017	3,507	1,048	4,829	186	4,164	13,734
Charge for the year	898	316	464	15	245	1,938
Eliminated on disposal	-	-	(5)	-	-	(5)
At 31 May 2018	4,405	1,364	5,288	201	4,409	15,667
Net book value						
At 31 May 2018	41,236	8,630	1,778	562	2,028	54,234
At 31 May 2017	41,084	8,686	1,736	577	986	53,069

Included within plant and equipment are assets held under finance lease with a net book value of £72,000 (2017: £83,000). The depreciation on these leased assets was £14,000 (2017: £12,000).

12. INVESTMENTS

Company	Subsidiary undertakings £'000
Cost	
At 1 June 2017 and 31 May 2018	14,660
Impairment	
At 1 June 2017 and 31 May 2018	(4,660)
Net book value	
At 1 June 2017 and 31 May 2018	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

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

13. STOCKS

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Goods held for resale	125	170	-	-

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		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	1,120	566	-	-
Other debtors	7,097	2,687	-	-
Prepayments and accrued income	2,228	1,392	-	-
Amounts owed by subsidiary undertakings	-	-	74,977	26,989
	<u>10,445</u>	<u>4,645</u>	<u>74,977</u>	<u>26,989</u>

In the Group financial statements, all debtors are due within one year, other than debtors totalling £nil relating to transfer of player registrations (2017: £100,000).

Debtors relating to player trading of £4,952,000 (2017: £1,555,000) are included in other debtors.

In the Company only financial statements, all debtors are due after one year.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts due on finance leases	23	20	-	-
Trade creditors	1,214	1,125	-	-
Other taxation and social security	2,529	1,602	-	-
Other creditors, accruals and deferred income	43,396	23,911	2	2
Amounts owed to parent undertakings	75,000	6,000	75,000	6,000
	<u>122,162</u>	<u>32,658</u>	<u>75,002</u>	<u>6,002</u>

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 £17,463,000 (2017: £17,359,000) are included within other creditors.

The amounts due to Fosun Industrial Holdings Limited are repayable on demand. No interest is charged on this creditor.

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

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

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts due on finance leases	4	26	-	-
Other creditors, accruals and deferred income	6,610	6,655	-	-
Amounts owed to parent undertakings	-	21,000	-	21,000
	<u>6,614</u>	<u>27,681</u>	<u>-</u>	<u>21,000</u>

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 £5,520,000 (2017: £5,656,000) are included within other creditors.

17. BORROWINGS

	2018	2017
	£'000	£'000
Bank overdraft		
Within one year	-	-
Due to parent:		
Within one year	75,000	6,000
In more than one year but not more than two years	-	21,000
Amounts due on finance leases:		
Within one year	23	20
In more than one year but not more than two years	4	20
In more than two years but not more than five years	-	6
Total borrowings	<u>75,027</u>	<u>27,046</u>
Less cash at bank and in hand	<u>(2,295)</u>	<u>(3,245)</u>
Net debt at 31 May 2018	<u>72,732</u>	<u>23,801</u>

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

18. PROVISION FOR LIABILITIES

Group

	Contingent appearance fees £'000	Total £'000
Balance at 1 June 2017	740	740
Created in the year	1,399	1,399
Utilised in the year	(476)	(476)
Impact of foreign exchange retranslation/deemed finance expense	29	29
Released in the year	(402)	(402)
	<hr/>	<hr/>
Balance at 31 May 2018	1,290	1,290
	<hr/> <hr/>	<hr/> <hr/>

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 £8,957,000 (2017: £11,610,000) at the balance sheet date.

19. CALLED UP SHARE CAPITAL AND RESERVES

	2018 £'000	2017 £'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
	<hr/>	<hr/>
	78,000	78,000
	<hr/> <hr/>	<hr/> <hr/>

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

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

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

	2018 £'000	2017 £'000
Operating loss	(64,818)	(24,771)
Depreciation	1,938	1,895
Amortisation of players' registration	13,037	7,613
Impairment of players' registration	3,110	-
Loss on disposal of fixed assets	3	171
Amortisation of deferred grant income	(24)	(24)
Decrease in stock	45	318
(Increase)/decrease in debtors	(2,403)	307
Increase in creditors	20,217	1,135
Increase in provisions	550	537
Net cash flow from operating activities	<u>(28,345)</u>	<u>(12,819)</u>

21. FINANCIAL COMMITMENTS

	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Capital commitments				
Contracted for but not provided				
- Fixtures and fittings	8,606	446	-	-
- Intangible assets	<u>23,657</u>	<u>-</u>	<u>-</u>	<u>-</u>

Most of the committed fixtures and fittings can be attributed to the improvements to Molineux Stadium facilities, with other commitments being in respect of improvements to Compton training ground. Intangible assets relate to options to purchase players exercised prior to the balance sheet date.

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 2018 £'000	2017 £'000
Within one year	80	19
Between one and five years	<u>20</u>	<u>71</u>
	<u>100</u>	<u>90</u>

The company had no operating lease commitments in either year.

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2018

22. FINANCIAL INSTRUMENTS

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

	2018 £'000	2017 £'000
Financial assets		
Measured at undiscounted amount receivable		
• Trade and other debtors (see note 14)	8,217	3,253
• Bank accounts	2,295	3,245
	<u>10,512</u>	<u>6,498</u>
	2018 £'000	2017 £'000
Financial liabilities		
Measured at amortised cost	27	46
• Obligations under finance leases (see notes 15 and 16)		
Measured at undiscounted amount payable		
• Trade and other creditors (see notes 15 and 16)	128,749	54,592
	<u>128,776</u>	<u>54,638</u>
	2018 £'000	2017 £'000
Interest expense		
On financial liabilities/assets at undiscounted amount payable/receivable	-	(23)
On financial liabilities at amortised cost	(478)	(3)

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

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 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 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 Group based on the present value of contributions payable as per the latest triennial review.

At 31 August 2017, an MFR deficit was identified in the scheme, of which £150,129 was attributable to the Group at 31 May 2018, resulting in an increase of contributions advised by the actuary.

Total costs relating to the defined contribution schemes in the year are £196,000 (2017: £145,000).

W. W. (1990) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2018

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 1, 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 <https://www.fosun.com/wp-content/themes/fuxing/document/report-2018-jt-mr-en.pdf>.

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 Group has sold player registrations recorded as intangible assets with a value at the balance sheet date of £2,018,000 (2017: £2,696,000). In addition, the Group has acquired player registrations with a value of £109,650,000 (2017: £34,673,000) since the balance sheet date. Also, since the balance sheet date, the Group has recognised a profit on sales of player registrations of £12,176,000 (2017: £7,327,000).