
WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2003**



Clement Keys

CHARTERED ACCOUNTANTS



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WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS

J R Peace
M K O'Leary (appointed 05/07/02)
Dr J J Evans (appointed 18/07/02)
J W Brandrick
M J Jenkins (appointed 22/11/02)
J D Wile (resigned 05/07/02)
R E McGing (resigned 24/10/02)
B M Batson (appointed 05/07/02-resigned 02/07/03)

SECRETARY

Dr J J Evans

COMPANY NUMBER

3295063

REGISTERED OFFICE

The Hawthorns,
West Bromwich,
West Midlands,
B71 4LF.

AUDITORS

Clement Keys
Chartered Accountants & Registered Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT For the year ended 30 June 2003

The directors present their report and the financial statements for the year ended 30 June 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is the operation of a Professional Football Club.

The directors are satisfied with the results for the year. Likely future developments of the Club are detailed in the Chairman's Statement of the Group Annual Report.

The loss for the year, after taxation, amounted to £509,731 (2002 - Profit £1,645,353) .

The loss for the year is after the exceptional item, being impairment of players' registrations of £6,575,427.

A dividend of £400,000 per ordinary share was paid during the period and the directors do not recommend the payment of a further dividend.

DIRECTORS

The directors who served during the year were:

J R Peace
M K O'Leary (appointed 05/07/02)
Dr J J Evans (appointed 18/07/02)
J W Brandrick
M J Jenkins (appointed 22/11/02)
J D Wile (resigned 05/07/02)
R E McGing (resigned 24/10/02)
B M Batson (appointed 05/07/02-resigned 4/7/03)

All current directors, other than Dr J J Evans, are directors of West Bromwich Albion PLC, the ultimate parent undertaking, and their interests are shown in the Directors' Report of that company.

EVENTS SINCE THE END OF THE YEAR

Since 30 June 2003 the club has acquired players registrations at a total cost of £2,193,670.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT
For the year ended 30 June 2003

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

Whilst the Company does not follow any specified code or standard of payment practice we do endeavour to ensure all payments are made within mutually agreed credit terms. The creditor days are not given as they are distorted by player trading which fluctuates significantly year on year.

AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 13 October 2003 and signed on its behalf.


Dr J J Evans
Secretary

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

We have audited the financial statements of West Bromwich Albion Football Club Limited for the year ended 30 June 2003 set out on pages 4 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Clement Keys

Chartered Accountants
Registered Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

13 October 2003

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2003

	Note	2003 £	2002 £
TURNOVER	1, 2	28,121,512	13,967,255
Operating expenses		<u>(18,254,357)</u>	<u>(12,278,623)</u>
OPERATING PROFIT before amortisation of players' registrations, profit on disposal of players' registrations and exceptional item	3	9,867,155	1,688,632
Amortisation of players' registrations		(4,129,044)	(3,525,892)
Exceptional item	4	(6,575,427)	-
Profit on disposal of players' registrations		200,000	4,519,501
OPERATING (LOSS)/PROFIT		(637,316)	2,682,241
Interest receivable		280,507	176,547
Interest payable	7	(284,922)	<u>(293,828)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(641,731)	2,564,960
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	8	132,000	<u>(919,607)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(509,731)	1,645,353
DIVIDENDS - On equity shares	9	(800,000)	-
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	18	(1,309,731)	<u>1,645,353</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2003 or 2002 other than those included in the profit and loss account.

NOTE OF HISTORICAL COST PROFITS AND LOSSES
For the year ended 30 June 2003

	2003 £	2002 £
REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(641,731)	2,564,960
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	91,789	91,238
HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(549,942)	2,656,198
HISTORICAL COST (LOSS)/PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	(1,217,942)	1,736,591

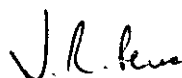
The notes on pages 6 to 16 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

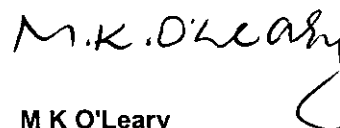
BALANCE SHEET
As at 30 June 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible fixed assets	10	1,568,947	3,795,157
Tangible fixed assets	11	19,991,681	20,993,252
		<u>21,560,628</u>	<u>24,788,409</u>
CURRENT ASSETS			
Stocks		115,216	104,446
Debtors	12	4,232,622	5,157,805
Cash at bank and in hand		6,124,977	3,015,978
		<u>10,472,815</u>	<u>8,278,229</u>
CREDITORS: amounts falling due within one year	13	<u>(20,531,491)</u>	<u>(18,408,746)</u>
NET CURRENT LIABILITIES		<u>(10,058,676)</u>	<u>(10,130,517)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,501,952</u>	<u>14,657,892</u>
CREDITORS: amounts falling due after more than one year	14	(5,665,882)	(6,758,296)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15	(705,861)	(472,861)
Other provisions	16	(345,785)	(1,332,580)
		<u>(1,051,646)</u>	<u>(1,805,441)</u>
NET ASSETS		<u>4,784,424</u>	<u>6,094,155</u>
CAPITAL AND RESERVES			
Called up share capital	17	2	2
Revaluation reserve	18	5,193,510	5,285,299
Profit and loss account	18	(409,088)	808,854
SHAREHOLDERS' FUNDS - All Equity	19	<u>4,784,424</u>	<u>6,094,155</u>

The financial statements were approved by the board on 13 October 2003 and signed on its behalf.



J R Peace
Director



M K O'Leary
Director

The notes on pages 6 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold land and buildings and are in accordance with applicable accounting standards. The company has taken advantage of the exemptions provided by Financial Reporting Standard no 1 and not prepared a cash flow statement for the period.

1.2 Turnover

Turnover comprises all income arising from the activities of the company excluding transfer fees and is exclusive of Value Added Tax.

1.3 Intangible fixed assets and amortisation

The cost of acquiring players' registrations is included in the balance sheet as intangible assets at cost, less amortisation which is charged over the length of the relevant contract. Provision is made, where in the opinion of the directors, an impairment of the carrying value of the players' registrations has occurred.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	Nil%
Freehold stands and buildings	-	2% straight line
Equipment	-	5% to 25% straight line

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 January 1996 and will not update that valuation.

1.6 Capitalisation of interest

Following the introduction of Financial Reporting Standard 15, interest incurred on borrowings to finance capital developments is not capitalised. Interest incurred on borrowings to finance specific stadium expenditure was capitalised in earlier periods before the Standard was introduced.

1.7 Leasing and hire purchase

Assets acquired under finance leases and hire purchase agreements are capitalised and depreciated on the same basis as assets which are owned. Depreciation on such assets and the interest element of the leasing payments is charged to the profit and loss account. Rentals paid under operating leases are charged to the profit and loss accounts on an accruals basis.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

1.10 Grants

Grants in respect of capital expenditure are treated as deferred income and credited to the profit and loss account over the expected useful lives of the related assets. Grants relating to expenditure arising out of the provisions of the Safety of Sports Grounds Act 1975 are credited to the profit and loss account in the same period in which the expenditure is charged.

1.11 Pensions

The pension cost charged in the year represents contributions payable into the personal pension schemes of certain full time members of staff.

2. TURNOVER

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

	2000 £	2002 £
Gate Receipts	5,297,574	4,382,326
Merchandising	1,881,478	1,283,210
Media Related Activities	17,779,458	6,249,726
Other Commercial Income	3,163,002	2,051,993
	<u>28,121,512</u>	<u>13,967,255</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit before amortisation of players' registrations, profit on disposal of players' registrations and impairment of player registrations is stated after charging:

	2003 £	2002 £
Depreciation of tangible fixed assets:		
- owned by the company	845,491	478,713
- held under finance leases	1,190	7,308
Release of property development income	(27,084)	(27,084)
Auditors' remuneration	16,075	14,485
Auditors' remuneration - non-audit	6,505	4,625
Operating lease rentals:		
- plant and machinery	56,622	90,878
- land and buildings	70,600	93,807
Release of grant	(79,450)	(54,689)
	<u> </u>	<u> </u>

4. EXCEPTIONAL ITEMS

	2003 £	2002 £
Impairment loss	6,575,427	-
	<u> </u>	<u> </u>

The impairment loss arises from the Directors' review of the carrying value of players' registrations based on their value in use calculated by reference to the average remaining contract period and applying a discount rate of 9%.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

5. STAFF COSTS

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

	2003	2002
	£	£
Wages and salaries	10,163,034	6,926,685
Social security costs	1,162,799	648,833
Other pension costs	49,027	26,124
	11,374,860	7,601,642

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

	2003	2002
	No.	No.
Players and coaching staff	42	40
Scholars	17	16
Administration and commercial staff	48	51
Ground staff	8	8
	115	115

In addition to the above staff the Club employ a number of part-time staff on match days.

6. DIRECTORS' REMUNERATION

	2003	2002
	£	£
Emoluments	252,599	474,320
Pension scheme contributions	9,980	7,582

During the year retirement benefits were accruing to 2 directors (2002 - 1) in respect of money purchase pension schemes.

7. INTEREST PAYABLE

	2003	2002
	£	£
On bank loans and overdrafts	283,365	288,754
On other loans	1,557	5,074
	284,922	293,828

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

8. TAXATION

	2003 £	2002 £
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax on profits of the year	(187,000)	440,131
Adjustments in respect of prior periods	(178,000)	-
	<u>(365,000)</u>	<u>440,131</u>
Double taxation relief	-	6,615
	<u>(365,000)</u>	<u>446,746</u>
Deferred tax		
Origination and reversal of timing differences	233,000	472,861
	<u>233,000</u>	<u>472,861</u>
Total deferred tax (see note 15)	<u>233,000</u>	<u>472,861</u>
Tax on profit on ordinary activities	<u>(132,000)</u>	<u>919,607</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £	2002 £
(Loss)/profit on ordinary activities before tax	<u>(641,731)</u>	<u>2,564,960</u>
(Loss)/profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2002 - 30)	(192,519)	769,488
Effects of:		
Expenses not deductible for tax purposes	209,442	150,119
Capital allowances for period in excess of depreciation	(204,620)	(136,165)
Utilisation of tax losses	-	(336,696)
Adjustments to tax charge in respect of prior periods	(178,000)	-
Other item	697	-
	<u>(365,000)</u>	<u>446,746</u>
Current tax charge for year (see note above)	<u>(365,000)</u>	<u>446,746</u>

The current tax before the exceptional item amounts to £1.6m.

Factors that may affect future tax charges

The Club expects to continue to be able to claim capital allowances in excess of depreciation in future years but at a slightly lower level than in the current year. The Club has now used all brought forward tax losses, which have significantly reduced tax payments in recent years. Losses from the current year will be carried back against the prior year's taxable profits to enable a refund to be made.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

9. DIVIDENDS

	2003 £	2002 £
On equity shares		
Total dividends paid	<u>800,000</u>	<u>-</u>

10. INTANGIBLE FIXED ASSETS

	Players registrations £
Cost	
At 1 July 2002	8,983,943
Additions	8,478,261
Disposals	(661,732)
At 30 June 2003	<u>16,800,472</u>
Amortisation	
At 1 July 2002	5,188,786
Charge for the year	4,129,044
Impairment	6,575,427
Relating to disposals	(661,732)
At 30 June 2003	<u>15,231,525</u>
Net book value	
At 30 June 2003	<u>1,568,947</u>
At 30 June 2002	<u>3,795,157</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

11. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £	Equipment £	Total £
Cost or valuation			
At 1 July 2002	21,065,846	2,073,082	23,138,928
Additions	102,127	735,137	837,264
Disposals	(992,154)	-	(992,154)
At 30 June 2003	<u>20,175,819</u>	<u>2,808,219</u>	<u>22,984,038</u>
Depreciation			
At 1 July 2002	1,369,695	775,981	2,145,676
Charge for the year	475,131	371,550	846,681
At 30 June 2003	<u>1,844,826</u>	<u>1,147,531</u>	<u>2,992,357</u>
Net book value			
At 30 June 2003	<u>18,330,993</u>	<u>1,660,688</u>	<u>19,991,681</u>
At 30 June 2002	<u>19,696,151</u>	<u>1,297,101</u>	<u>20,993,252</u>

The Hawthorns Stadium is valued at depreciated replacement cost and the Tom Silk building is valued on the basis of open market value as advised by Dunlop Haywood, Consultant Surveyors, Manchester. The valuation was carried out at 31 January 1996 and additions since that date are stated at cost..

On a historical cost basis the net book value of the revalued land and buildings would be £13,137,484 (2002-£14,410,852).

Interest capitalised in earlier years and included in freehold land and buildings amounts to £42,498 (2002-£42,498).

Freehold land and buildings includes freehold land of £1,277,500. All fixed assets other than land are depreciated.

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

	2003 £	2002 £
Equipment	<u>13,110</u>	<u>248,260</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

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Net book value			
At 30 June 2003	<u>18,330,993</u>	<u>1,660,688</u>	<u>19,991,681</u>
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	2003 £	2002 £
Equipment	<u>13,110</u>	<u>248,260</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

12. STOCKS

	2003	2002
	£	£
Goods for resale	<u>115,216</u>	<u>104,446</u>

13. DEBTORS

	2003	2002
	£	£
Due within one year		
Trade debtors	1,466,545	3,214,182
Amounts owed by group undertakings	2,101,395	1,850,865
Other debtors	453,820	33,332
Prepayments and accrued income	210,862	59,426
	<u>4,232,622</u>	<u>5,157,805</u>

14. CREDITORS:

Amounts falling due within one year

	2003	2002
	£	£
Loans (see note 15)	710,136	701,140
Net obligations under finance leases and hire purchase contracts	4,776	10,047
Trade creditors	3,125,273	3,295,408
Amounts owed to group undertakings	11,087,896	10,321,596
Corporation tax	-	440,131
Social security and other taxes	1,114,995	352,696
Other creditors	136,281	481,006
Accruals	911,560	124,451
Deferred income	3,363,042	2,604,334
Deferred grants	77,532	77,937
	<u>20,531,491</u>	<u>18,408,746</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

15. CREDITORS:

Amounts falling due after more than one year

	2003 £	2002 £
Loans	3,734,702	4,449,316
Net obligations under finance leases and hire purchase contracts	6,766	-
Trade creditors	-	207,500
Deferred income	211,628	309,649
Deferred grants	1,712,786	1,791,831
	<u>5,665,882</u>	<u>6,758,296</u>

Included within the above are amounts falling due as follows:

	2003 £	2002 £
Between one and two years		
Loans	609,702	726,130
	<u>609,702</u>	<u>726,130</u>
Between two and five years		
Loans	1,500,000	1,598,186
	<u>1,500,000</u>	<u>1,598,186</u>
Over five years		
Loans	1,625,000	2,125,000
	<u>1,625,000</u>	<u>2,125,000</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2003 £	2002 £
Repayable by instalments	1,625,000	2,125,000
	<u>1,625,000</u>	<u>2,125,000</u>

The loans are secured by charges over some of the freehold property of the company and a fixed and floating charge over some of the other company assets.

The loan not wholly repayable within 5 years is repayable in instalments by December 2011 and interest is charged at 2% over bank base rate.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2003 £	2002 £
Between one and two years	4,776	-
Between two and five years	1,990	-
	<u>6,766</u>	<u>-</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

16. DEFERRED TAXATION

	2003 £	2002 £
At 1 July 2002	472,861	-
Charge for the year	233,000	472,861
At 30 June 2003	<u>705,861</u>	<u>472,861</u>

The deferred tax provision is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	705,861	472,861
	<u>705,861</u>	<u>472,861</u>

17. PROVISIONS

	Management/ operational reorganisation £	Onerous contract £	Premier League £	Total £
At 1 July 2002	562,500	491,920	278,160	1,332,580
Amounts utilised	(481,335)	(227,300)	(278,160)	(986,795)
At 30 June 2003	<u>81,165</u>	<u>264,620</u>	<u>-</u>	<u>345,785</u>

Management/ operational reorganisation

This provision relates to the anticipated costs of implementing an improved and football player development programme, the majority of these costs will be incurred during the coming year.

Onerous contract

This provision constitutes the present obligation value of a contract for which the company will derive no economic benefit over its remaining year.

18. SHARE CAPITAL

	2003 £	2002 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

19. RESERVES

Revaluation reserve	£
At 1 July 2002	5,285,299
Transfer to profit and loss account	(91,789)
	<u>5,193,510</u>
At 30 June 2003	<u>5,193,510</u>
Profit and loss account	£
At 1 July 2002	808,854
Loss retained for the year	(1,309,731)
Transfer from revaluation reserve	91,789
	<u>(409,088)</u>
At 30 June 2003	<u>(409,088)</u>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
(Loss)/profit for the year	(509,731)	1,645,353
Dividends	(800,000)	-
	<u>(1,309,731)</u>	<u>1,645,353</u>
Opening shareholders' funds	6,094,155	4,448,802
Closing shareholders' funds	<u>4,784,424</u>	<u>6,094,155</u>

21. CONTINGENT LIABILITIES

The terms of certain contracts with other football clubs in respect of the purchase of players' registrations include the payment of certain amounts upon fulfilment of a specific number of appearances in the future, which amount to £375,000. Similar terms exist in contracts for the sale of players' registrations but the directors consider that the likely future effect on the accounts is not significant.

The company is party to an unlimited interlocking guarantee to secure balances due to bankers by the other group companies.

22. CAPITAL COMMITMENTS

At 30 June 2003 the company had capital commitments as follows:

	2003 £	2002 £
Contracted for but not provided in these financial statements	<u>102,915</u>	<u>91,707</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

23. PENSION COMMITMENTS

The pension cost charged in the year represents contributions payable into the personal pension schemes of certain full time members of staff.

24. OPERATING LEASE COMMITMENTS

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within 1 year	60,000	896	46,100	6,851
Between 1 and 2 years	-	60,000	19,072	46,100
Between 2 and 5 years	-	-	-	19,072
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

25. TRANSACTIONS WITH DIRECTORS

During the year transactions took place between the company and certain directors in relation to match tickets and commercial packages. These transactions were on normal commercial terms and were not significant to any of the parties.

26. POST BALANCE SHEET EVENTS

Since 30 June 2003 the Club has acquired players registrations at a total cost of £2,193,670.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent company is West Bromwich Albion Plc, a company registered in England and Wales. Copies of the group annual report are available to the public from The Hawthorns, West Bromwich, West Midlands.