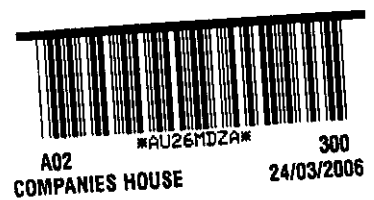

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2005**



WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS

J R Peace
Dr J J Evans
J W Brandrick
M J Jenkins
J T T Fuller (appointed 5/7/04)
J T Farmer

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

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WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT For the year ended 30 June 2005

The directors present their report and the financial statements for the year ended 30 June.2005.

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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

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 for West Bromwich Albion Limited (formerly West Bromwich Albion PLC).

The profit for the year, after taxation, amounted to £3,518,828 (2004 - Loss £120,217) .

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	<u>30/6/05</u>	<u>1/7/04</u>
J R Peace	-	-
Dr J J Evans	-	-
J W Brandrick	-	-
M J Jenkins	-	-
J T Farmer	-	-
J T T Fuller (appointed 5/7/04)	-	-

All current directors, other than Dr J J Evans and J T T Fuller are directors of West Bromwich Albion Holdings Limited, the ultimate parent undertaking, and their interests are shown in the Directors' Report of that company.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT
For the year ended 30 June 2005

EVENTS SINCE THE END OF THE YEAR

Since 30 June 2005 the club has acquired players registrations at a total cost of £9,820,000 (2004 - £6,742,250).

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 21 November 2005 and signed on its behalf.


M J Jenkins
Director

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 2005 set out on pages 5 to 19. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 to 9.

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.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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

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 2005 and of its profit 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

21 November 2005

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2005

	Note	2005 Operations excluding player trading £	2005 Player trading £	2005 Total £	2004 Total £
TURNOVER	1, 2	36,504,378	-	36,504,378	20,324,287
Operating expenses		(27,218,882)	(5,804,450)	(33,023,332)	(21,241,856)
Exceptional item	4	(930,600)	-	(930,600)	-
OPERATING PROFIT/(LOSS) before, profit on disposal of players' registrations	3	8,354,896	(5,804,450)	2,550,446	(917,569)
Profit on disposal of player's registrations		-	2,351,183	2,351,183	902,545
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>8,354,896</u>	<u>(3,453,267)</u>	4,901,629	(15,024)
Interest receivable				339,261	224,357
Interest payable	7			(237,006)	(243,520)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION				5,003,884	(34,187)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	8			(1,485,056)	(86,030)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	18			<u>3,518,828</u>	<u>(120,217)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2005 or 2004 other than those included in the profit and loss account.

The notes on pages 8 to 19 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES
For the year ended 30 June 2005

	2005	2004
	£	£
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5,003,884	(34,187)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	91,789	91,789
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5,095,673	57,602
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	3,610,617	(28,428)

The notes on pages 8 to 19 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

BALANCE SHEET
As at 30 June 2005

	Note	£	2005 £	£	2004 £
FIXED ASSETS					
Intangible fixed assets	9		9,049,522		6,118,863
Tangible fixed assets	10		18,876,419		19,421,971
			<u>27,925,941</u>		<u>25,540,834</u>
CURRENT ASSETS					
Stocks	11	209,089		187,470	
Debtors	12	5,700,063		4,351,908	
Cash at bank and in hand		11,772,626		4,566,903	
			<u>17,681,778</u>	<u>9,106,281</u>	
CREDITORS: amounts falling due within one year	13	(30,417,133)		(23,435,556)	
NET CURRENT LIABILITIES			<u>(12,735,355)</u>		<u>(14,329,275)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,190,586</u>		<u>11,211,559</u>
CREDITORS: amounts falling due after more than one year	14		(5,386,034)		(5,841,491)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	15	(690,917)		(705,861)	
Other provisions	16	(930,600)		-	
			<u>(1,621,517)</u>	<u>(705,861)</u>	
NET ASSETS			<u>8,183,035</u>		<u>4,664,207</u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Revaluation reserve	18		5,009,932		5,101,721
Profit and loss account	18		3,173,101		(437,516)
SHAREHOLDERS' FUNDS - All Equity	19		<u>8,183,035</u>		<u>4,664,207</u>

The financial statements were approved by the board on 21 November 2005 and signed on its behalf.



J R Peace
Director



M J Jenkins
Director

The notes on pages 8 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

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. They have been drawn up in accordance with applicable Accounting Standards and UK Law.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

1.3 Turnover

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

1.4 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.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those 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

1.6 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.

1.7 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.

1.8 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.

1.9 Stocks

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

1.10 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.

1.11 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.

1.12 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:

	2005 £	2004 £
Gate Receipts	8,189,751	6,080,079
Merchandising	2,330,070	1,967,720
Media Related Activities	21,143,544	8,849,167
Other Commercial Income	4,841,013	3,427,321
	<u>36,504,378</u>	<u>20,324,287</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

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

	2005 £	2004 £
Amortisation - intangible fixed assets	5,804,449	2,436,462
Depreciation of tangible fixed assets:		
- owned by the company	782,152	789,422
- held under finance leases	7,884	7,084
Auditors' remuneration	16,800	15,420
Auditors' remuneration - non-audit	9,365	4,720
Operating lease rentals:		
- plant and machinery	21,195	44,257
- other operating leases	47,198	75,980
Release of grant	(73,405)	(71,816)
	<u></u>	<u></u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

4. EXCEPTIONAL ITEMS

	2005 £	2004 £
Onerous contract (see note 15)	<u>930,600</u>	<u>-</u>

5. STAFF COSTS

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

	2005 £	2004 £
Wages and salaries	18,751,364	10,664,369
Social security costs	2,090,372	1,281,379
Pension costs	100,200	72,434
	<u>20,941,936</u>	<u>12,018,182</u>

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

	2005 No.	2004 No.
Players and coaching staff	40	43
Scholars	16	18
Administration and commercial staff	51	48
Ground staff	13	11
	<u>120</u>	<u>120</u>

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

6. DIRECTORS' REMUNERATION

	2005 £	2004 £
Emoluments	<u>456,870</u>	<u>234,649</u>
Pension scheme contributions	<u>27,916</u>	<u>13,500</u>

During the year retirement benefits were accruing to 4 directors (2004 - 2) in respect of money purchase pension schemes.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

7. INTEREST PAYABLE

	2005 £	2004 £
On bank loans and overdrafts	236,932	238,630
On other loans	74	4,890
	<u>237,006</u>	<u>243,520</u>

8. TAXATION

	2005 £	2004 £
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax charge on profits of the year	1,500,000	86,030
Deferred tax		
Origination and reversal of timing differences	(122,175)	-
Roll over relief on profit on sale of player registrations	107,231	-
Total deferred tax (see note 15)	(14,944)	-
Tax on profit on ordinary activities	<u>1,485,056</u>	<u>86,030</u>

Factors affecting tax charge for year

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

	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	5,003,884	(34,187)
Profit/(loss) on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2004 - 30%)	1,501,165	(10,256)
Effects of:		
Capital allowances for period in excess of depreciation	(5,095)	(17,606)
Player registration timing differences	(83,184)	-
Other item	224	-
Expenses not deductible for tax purposes	86,890	113,892
Current tax charge for year (see note above)	<u>1,500,000</u>	<u>86,030</u>

The current tax charge before exceptional items amounts to £1.7m

Factors that may affect future tax charges

Players' registrations which commenced post April 2002 and which have subsequently been sold have been dealt with under the intangible asset roll over regime resulting in a deferment of the liability in to new player registrations.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

9. INTANGIBLE FIXED ASSETS

	Players registrations £
Cost	
At 1 July 2004	18,193,320
Additions	8,880,175
Disposals	(6,179,748)
At 30 June 2005	<u>20,893,747</u>
Amortisation	
At 1 July 2004	12,074,457
Charge for the year	5,804,449
On disposals	(6,034,681)
At 30 June 2005	<u>11,844,225</u>
Net book value	
At 30 June 2005	<u>9,049,522</u>
At 30 June 2004	<u>6,118,863</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

10. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £	Equipment £	Total £
Cost or valuation			
At 1 July 2004	20,073,691	3,123,917	23,197,608
Additions	27,559	323,583	351,142
	<u>20,101,250</u>	<u>3,447,500</u>	<u>23,548,750</u>
At 30 June 2005			
Depreciation			
At 1 July 2004	2,118,622	1,657,015	3,775,637
Charge for the year	376,222	520,472	896,694
	<u>2,494,844</u>	<u>2,177,487</u>	<u>4,672,331</u>
At 30 June 2005			
Net book value			
At 30 June 2005	<u>17,606,406</u>	<u>1,270,013</u>	<u>18,876,419</u>
At 30 June 2004	<u>17,955,069</u>	<u>1,466,902</u>	<u>19,421,971</u>

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

	2005 £	2004 £
Equipment	<u>32,534</u>	<u>45,446</u>

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

Cost or valuation at 30 June 2005 is as follows:

	Freehold Land and buildings £
At cost	14,309,215
At valuation:	
See below	5,792,035
	<u>20,101,250</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. Interest capitalised in earlier periods and included in freehold land and buildings amounts to £42,498 (2004 -£42,498).

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

10. TANGIBLE FIXED ASSETS (continued)

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2005 £	2004 £
Cost	14,309,215	14,281,656
Accumulated depreciation	1,712,740	1,428,307
Net book value	<u>12,596,475</u>	<u>12,853,349</u>

11. STOCKS

	2005 £	2004 £
Goods for resale	<u>209,089</u>	<u>187,470</u>

12. DEBTORS

	2005 £	2004 £
Due within one year		
Trade debtors	1,620,642	1,220,510
Amounts owed by group undertakings	3,405,531	2,310,726
Other debtors	489,057	511,916
Prepayments and accrued income	184,833	308,756
	<u>5,700,063</u>	<u>4,351,908</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

13. CREDITORS:

Amounts falling due within one year

	2005 £	2004 £
Loans (see note 14)	500,000	524,999
Net obligations under finance leases and hire purchase contracts	25,023	18,728
Trade creditors	4,341,026	3,454,401
Amounts owed to group undertakings	10,446,146	10,822,982
Corporation tax	1,553,161	54,030
Social security and other taxes	3,382,993	1,639,715
Other creditors	229,924	207,180
Deferred income	6,654,740	5,277,880
Deferred grants	70,300	73,405
Accruals	3,213,820	1,362,236
	<u>30,417,133</u>	<u>23,435,556</u>

14. CREDITORS:

Amounts falling due after more than one year

	2005 £	2004 £
Loans	2,625,000	3,125,000
Net obligations under finance leases and hire purchase contracts	-	25,023
Trade creditors	1,000,000	825,000
Deferred income	80,212	149,871
Deferred grants	1,574,797	1,645,097
Accruals	106,025	71,500
	<u>5,386,034</u>	<u>5,841,491</u>

Included within the above are amounts falling due as follows:

	2005 £	2004 £
Between one and two years		
Loans	500,000	500,000
Between two and five years		
Loans	1,500,000	1,500,000
Over five years		
Loans	625,000	1,125,000

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

14. CREDITORS:

Amounts falling due after more than one year (continued)

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

	2005 £	2004 £
Repayable by instalments	<u>625,000</u>	<u>1,125,000</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:

	2005 £	2004 £
Between one and two years	-	15,942
Between two and five years	-	9,081
	<u>-</u>	<u>25,023</u>

15. DEFERRED TAXATION

	2005 £	2004 £
At 1 July 2004	705,861	705,861
Released during the year	(14,944)	-
At 30 June 2005	<u>690,917</u>	<u>705,861</u>

The deferred tax provision is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	583,686	705,861
Roll over relief on profit on sale of player registrations	107,231	-
	<u>690,917</u>	<u>705,861</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

16. PROVISIONS

	Onerous contract £	Total £
Additions	930,600	930,600
At 30 June 2005	<u>930,600</u>	<u>930,600</u>

Onerous contract

This provision constitutes the value of a present obligation in respect of a contract for which the unavoidable costs of meeting the obligations under it exceed the economic benefits expected to be received.

17. SHARE CAPITAL

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

18. RESERVES

Revaluation reserve	£
At 1 July 2004	5,101,721
Transfer to profit and loss account	(91,789)
At 30 June 2005	<u>5,009,932</u>
Profit and loss account	£
At 1 July 2004	(437,516)
Profit retained for the year	3,518,828
Transfer from revaluation reserve	91,789
At 30 June 2005	<u>3,173,101</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit/(loss) for the year	3,518,828	(120,217)
	<u>3,518,828</u>	<u>(120,217)</u>
Opening shareholders' funds	4,664,207	4,784,424
Closing shareholders' funds	<u>8,183,035</u>	<u>4,664,207</u>

20. CONTINGENT LIABILITIES

a)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 £1,865,005 (2004 - £872,500). 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.

b)The company is party to a cross guarantee and debenture over its assets to secure balances due to bankers by other group companies. At 30 June 2005 the contingent liability is £2,800,000 (2004:£Nil).

21. CAPITAL COMMITMENTS

At 30 June 2005 the company had capital commitments as follows:

	2005 £	2004 £
Contracted for but not provided in these financial statements	-	102,915

22. PENSION COMMITMENTS

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

23. OPERATING LEASE COMMITMENTS

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005 £	2004 £	2005 £	2004 £
Expiry date:				
Within 1 year	-	-	-	17,158
Between 1 and 2 years	-	-	-	12,868
Between 2 and 5 years	40,000	-	-	-
	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2005**

24. 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.

25. POST BALANCE SHEET EVENTS

Since 30 June 2005 the Club has acquired players registrations at a total cost of £9,820,000 (2004 - £6,742,250).

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent company is West Bromwich Albion Holdings Limited, a company registered in England and Wales. West Bromwich Albion Limited, the intermediate parent company has prepared group financial statements for the period and these are available at The Hawthorns, West Bromwich, West Midlands.