
WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013




Clement Keys LLP
CHARTERED ACCOUNTANTS

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS

J R Peace
M J Jenkins
D Ashworth (resigned 1 March 2013)
R Garlick
A Wright

REGISTERED NUMBER

03295063

REGISTERED OFFICE

The Hawthorns
West Bromwich
West Midlands

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements for the year ended 30 June 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITIES

The principal activity of the company is the operation of a professional football club.

BUSINESS REVIEW

During the 2012-13 Season, West Bromwich Albion competed in the Barclays Premier league for the third consecutive season and for the seventh time in eleven years. The team began the season extremely well achieving victories at the Hawthorns to Liverpool, Everton and the European Champions Chelsea. By the end of December the Club had already accumulated 33 points and whilst results were more indifferent in the second half of the season the Club still recorded an 8th place finish, 14 victories and 49 points all record achievements since the advent of the Premier League.

Principal risks and uncertainties

The board is aware of the risks which affect the company. We have analysed our previous seasons in the Barclays Premier League and have tried to implement lessons learned from this and as a consequence we believe that the squad will be stronger and more experienced. This is part of the long term policy of the Club which is to improve the playing squad and infrastructure year on year.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

Key Performance Indicators are shown below:

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|----------------|----------------|----------------|-----------------|----------------|
| League | Premier League | Premier League | Premier League | Football League | Premier League |
| Turnover | £69 7m | £66 7m | £65 1m | £28 1m | £47 0m |
| Operating profit/(loss) before player trading | £2 9m | (£5 7m) | £13 3m | (£2 4m) | (£20 0m) |
| Profit before tax | £6 0m | £0 4m | £18 9m | £0 5m | (£12 4m) |
| League position | | | | | |
| Premier League | 8th | 10th | 11th | - | 20th |
| Football League | - | - | - | 2nd | - |
| Average attendances | 25,250 | 24,850 | 24,650 | 22,200 | 25,800 |
| Season ticket holders | 19,300 | 18,900 | 18,700 | 18,100 | 21,700 |

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,333,000 (2012 - loss £367,000)

The directors do not recommend the payment of a dividend

DIRECTORS

The directors who served during the year were

J R Peace
M J Jenkins
D Ashworth (resigned 1 March 2013)
R Garlick
A Wright

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

Whilst the company does not follow any specified code or standard of payment practice the company endeavours 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

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

AUDITOR

The auditor, Clement Keys LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 15 November 2013 and signed on its behalf

M J Jenkins
Director



WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S 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 2013, which comprise the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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


MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Gavin Whitehouse FCA (Senior statutory auditor)
for and on behalf of
Clement Keys LLP
Chartered Accountants
Statutory Auditors
No 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

15 November 2013



WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

| | Note | Operations excluding player amortisation and trading £000 | Player amortisation and trading £000 | Total 2013 £000 | Total 2012 £000 |
|--|------|--|---|-----------------------|-----------------------|
| TURNOVER | 2 | 69,734 | - | 69,734 | 66,660 |
| Operating expenses | | (63,925) | (2,903) | (66,828) | (72,314) |
| OPERATING PROFIT/(LOSS) before profit on disposal of player registrations | 3 | 5,809 | (2,903) | 2,906 | (5,654) |
| Profit on disposal of player registrations | | - | 3,091 | 3,091 | 6,013 |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST | | 5,809 | 188 | 5,997 | 359 |
| Interest receivable | | | | 47 | 40 |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | | | 6,044 | 399 |
| Tax on profit/(loss) on ordinary activities | 7 | | | (711) | (766) |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | 18 | | | 5,333 | (367) |

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 9 to 21 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 2013**

| | 2013 | 2012 |
|--|---------------------|---------------------|
| | £000 | £000 |
| REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 6,044 | 399 |
| Realisation of valuation gains of previous periods | <u>92</u> | <u>92</u> |
| HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | <u>6,136</u> | <u>491</u> |
| HISTORICAL PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION | <u>5,425</u> | <u>(275)</u> |

The notes on pages 9 to 21 form part of these financial statements

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED
REGISTERED NUMBER: 03295063

BALANCE SHEET
AS AT 30 JUNE 2013

| | Note | £000 | 2013 £000 | £000 | 2012 £000 |
|--|------|-----------------|----------------|-----------------|----------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 8 | | 2,945 | | 5,472 |
| Tangible assets | 9 | | 23,415 | | 22,545 |
| Investment property | 10 | | 424 | | 424 |
| | | | <u>26,784</u> | | <u>28,441</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 786 | | 836 | |
| Debtors | 12 | 22,905 | | 16,855 | |
| Cash in hand | | 3,917 | | 672 | |
| | | <u>27,608</u> | | <u>18,363</u> | |
| CREDITORS: amounts falling due within one year | 13 | <u>(24,557)</u> | | <u>(20,279)</u> | |
| NET CURRENT ASSETS/(LIABILITIES) | | | <u>3,051</u> | | <u>(1,916)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>29,835</u> | | <u>26,525</u> |
| CREDITORS: amounts falling due after more than one year | 14 | | <u>(1,661)</u> | | <u>(1,728)</u> |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 15 | (374) | | (2,119) | |
| Other provisions | 16 | - | | (211) | |
| | | | <u>(374)</u> | | <u>(2,330)</u> |
| NET ASSETS | | | <u>27,800</u> | | <u>22,467</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | | - | | - |
| Revaluation reserve | 18 | | 4,276 | | 4,368 |
| Investment property reserve | 18 | | (218) | | (218) |
| Profit and loss account | 18 | | 23,742 | | 18,317 |
| SHAREHOLDERS' FUNDS | 19 | | <u>27,800</u> | | <u>22,467</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 November 2013

M J Jenkins
Director

The notes on pages 9 to 21 form part of these financial statements

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 freehold land and buildings and the investment property and in accordance with applicable accounting standards

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 FRS 1

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 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 property | - | 2% straight line |
| Fixtures, fittings, plant & equipment | - | 2% to 25% straight line |
| Pitch refurbishment included within land and buildings | - | 10% straight line |

1.5 REVALUATION OF TANGIBLE FIXED ASSETS

As permitted by the transitional provisions of FRS 15, 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 INVESTMENT PROPERTIES

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

The investment property was revalued to open market value as at 30 June 2013 by the directors

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES (continued)

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 OPERATING LEASES

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

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.

1.10 DEFERRED TAXATION

Provision is made in full for all taxation deferred in respect of timing differences that have originated and not reversed by the balance sheet date, except for timing differences arising on the revaluations of fixed assets which are not intended to be sold and gains on tangible fixed assets which will be rolled into replacement assets. No provision is made for taxation on permanent differences. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. 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.

1.11 TURNOVER

Turnover represents all income arising from the activities of the company excluding player transfer fees and Value Added Tax.

1.12 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.13 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES (continued)

1.14 GRANTS

Grants in respect of capital expenditure are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned

Grants relating to expenditure arising out of the provisions of the Safety of Sports Grounds Act 1975 are credited to the profit and loss in the same period in which the expenditure is charged

1.15 FINANCIAL INSTRUMENTS

The company's financial instruments during the period comprised bank overdraft and cash. The main purpose of these financial instruments is to raise finance for the company's operations. All financial assets and liabilities are denominated in sterling and their book value is considered to equate to their fair value.

1.16 HERITAGE ASSETS

The Club holds a collection of football memorabilia which is not recognised in the Balance Sheet as cost information is not readily available and the directors believe that the benefits of obtaining valuations for these items would not justify the cost. The memorabilia has been built up over many years through existing items from the Club, donations and occasional acquisitions. The Club draws upon the collection for display in the stadium. The directors are of the opinion, that should a valuation for the collection be obtained, that the valuation would not be material in the context of these accounts and is incidental to the main activity of the Club. Consequently further disclosures under Financial Reporting Standard 30 Heritage Assets are not deemed necessary.

2. TURNOVER

An analysis of turnover by class of business is as follows

| | 2013 £000 | 2012 £000 |
|---------------------------------|---------------|---------------|
| Gate receipts | 7,072 | 7,883 |
| Media related activities | 52,592 | 49,872 |
| UEFA solidarity and prize money | 757 | 683 |
| Commercial income | 6,511 | 5,620 |
| Merchandising | 2,802 | 2,602 |
| | <u>69,734</u> | <u>66,660</u> |

All turnover arose within the United Kingdom

The company only recognises one segment, being football operations, therefore no further segmental information is provided

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

3. OPERATING PROFIT/(LOSS)

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

| | 2013 | 2012 |
|---|--------------|---------------|
| | £000 | £000 |
| Amortisation of player registrations | 2,903 | 11,073 |
| Depreciation of tangible fixed assets | | |
| - owned by the company | 901 | 863 |
| - land and buildings | | |
| - other operating leases | 114 | 98 |
| Difference on foreign exchange | (101) | 469 |
| Release of property development reserve | (27) | (27) |
| Release of grants | (67) | (67) |
| Profit on sale of tangible fixed assets | - | (1) |
| | <hr/> <hr/> | <hr/> <hr/> |

4 AUDITORS' REMUNERATION

| | 2013 | 2012 |
|---|-------------|-------------|
| | £000 | £000 |
| Fees payable to the company's auditor for the audit of the company's financial statements | 17 | 16 |
| | <hr/> <hr/> | <hr/> <hr/> |

Fees payable to the company's auditor for services other than the statutory audit of the company's financial statements are not disclosed in these financial statements as the group financial statements of the company's parent company, West Bromwich Albion Holdings Limited, are required to disclose non-audit fees on a consolidated basis

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

| | 2013 £000 | 2012 £000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 47,962 | 44,854 |
| Social security costs | 5,825 | 5,351 |
| Other pension costs | 190 | 288 |
| | <u>53,977</u> | <u>50,493</u> |

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

| | 2013 No. | 2012 No |
|---------------------------------|-------------|------------|
| First Team Players and Coaching | 45 | 47 |
| Scholars | 20 | 19 |
| Youth Coaching | 17 | 9 |
| Administration and Commercial | 51 | 47 |
| Ground Staff | 17 | 17 |
| | <u>150</u> | <u>139</u> |

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

6. DIRECTORS' REMUNERATION

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Remuneration | <u>2,417</u> | <u>2,201</u> |
| Company pension contributions to defined contribution pension schemes | <u>62</u> | <u>69</u> |

During the year retirement benefits were accruing to 5 directors (2012 - 5) in respect of defined contribution pension schemes

The highest paid director received remuneration of £1,341,000 (2012 - £1,113,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,000 (2012 - £20,000)

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

7. TAXATION

| | 2013 £000 | 2012 £000 |
|--|----------------|--------------|
| ANALYSIS OF TAX CHARGE IN THE YEAR | | |
| CURRENT TAX (see note below) | | |
| UK corporation tax charge on profit for the year | 1,999 | 1,000 |
| Adjustments in respect of prior periods | 457 | 180 |
| TOTAL CURRENT TAX | 2,456 | 1,180 |
| DEFERRED TAX | | |
| Origination and reversal of timing differences | (209) | 495 |
| Roll over relief on profit on sale of player registrations in year | 231 | 240 |
| Prior year adjustments | (1,767) | (1,149) |
| TOTAL DEFERRED TAX (see note 15) | (1,745) | (414) |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 711 | 766 |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23 75% (2012 - 25 5%) The differences are explained below

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before tax | 6,044 | 399 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 75% (2012 - 25 5%) | 1,435 | 102 |
| EFFECTS OF | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 187 | 34 |
| Capital allowances for year in excess of depreciation | 78 | 110 |
| Player registration timing differences | 384 | 460 |
| Adjustments to tax charge in respect of prior periods | 457 | 180 |
| Other timing differences leading to an increase (decrease) in taxation | (85) | 211 |
| Other items | - | 83 |
| CURRENT TAX CHARGE FOR THE YEAR (see note above) | 2,456 | 1,180 |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Certain players' registrations which have subsequently been sold have been dealt with under the intangible asset roll over regime resulting in a deferment of the liability into new player registrations

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

8. INTANGIBLE FIXED ASSETS

| | Player registrations £000 |
|-----------------------|---------------------------------|
| COST | |
| At 1 July 2012 | 30,603 |
| Additions | 376 |
| Disposals | (9,153) |
| At 30 June 2013 | 21,826 |
| AMORTISATION | |
| At 1 July 2012 | 25,131 |
| Charge for the year | 2,903 |
| On disposals | (9,153) |
| At 30 June 2013 | 18,881 |
| NET BOOK VALUE | |
| At 30 June 2013 | 2,945 |
| At 30 June 2012 | 5,472 |

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

9. TANGIBLE FIXED ASSETS

| | Freehold land and buildings £000 | Fixtures, fittings, plant & equipment £000 | Total £000 |
|--------------------------|--|---|---------------|
| COST OR VALUATION | | | |
| At 1 July 2012 | 28,064 | 4,404 | 32,468 |
| Additions | 1,361 | 410 | 1,771 |
| At 30 June 2013 | <u>29,425</u> | <u>4,814</u> | <u>34,239</u> |
| DEPRECIATION | | | |
| At 1 July 2012 | 6,040 | 3,883 | 9,923 |
| Charge for the year | 627 | 274 | 901 |
| At 30 June 2013 | <u>6,667</u> | <u>4,157</u> | <u>10,824</u> |
| NET BOOK VALUE | | | |
| At 30 June 2013 | <u>22,758</u> | <u>657</u> | <u>23,415</u> |
| At 30 June 2012 | <u>22,024</u> | <u>521</u> | <u>22,545</u> |

Included in land and buildings is freehold land at valuation of £2,039,125 (2012- £2,039,125), cost £806,407 (2012- £806,407) which is not depreciated

The Hawthorns Stadium was valued at depreciated replacement cost and the Tom Silk building was 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

Cost or valuation at 30 June 2013 is as follows

| | |
|----------------------|--|
| | Land and buildings £000 |
| AT COST | 23,680 |
| AT VALUATION: | |
| 1996 -see above | <u>5,745</u> |
| | <u><u>29,425</u></u> |

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

9 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

| | 2013 £000 | 2012 £000 |
|--------------------------|---------------|---------------|
| Cost | 23,680 | 22,319 |
| Accumulated depreciation | (5,579) | (4,952) |
| | <u>18,101</u> | <u>17,367</u> |
| Net book value | <u>18,101</u> | <u>17,367</u> |

10 INVESTMENT PROPERTY

| | Long term leasehold investment property £000 |
|--|--|
| VALUATION | |
| At 1 July 2012 and 30 June 2013 | <u>424</u> |
| COMPRISING | |
| Cost | 642 |
| Annual revaluation surplus/(deficit) 2012 | (218) |
| At 30 June 2013 | <u>424</u> |

The 2013 valuations were made by the Directors, on an open market value for existing use basis

11. STOCKS

| | 2013 £000 | 2012 £000 |
|------------------|--------------|--------------|
| Goods for resale | <u>786</u> | <u>836</u> |

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

12. DEBTORS

| | 2013 £000 | 2012 £000 |
|------------------------------------|---------------|---------------|
| Trade debtors | 2,124 | 1,584 |
| Amounts owed by group undertakings | 8,917 | 8,221 |
| Other debtors | 11,021 | 6,226 |
| Prepayments and accrued income | 843 | 824 |
| | <u>22,905</u> | <u>16,855</u> |

**13 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2013 £000 | 2012 £000 |
|------------------------------------|---------------|---------------|
| Bank overdraft | 4,917 | 1,139 |
| Trade creditors | 584 | 1,635 |
| Deferred grants | 67 | 67 |
| Amounts owed to group undertakings | 2,105 | 2,132 |
| Corporation tax | 1,968 | 1,000 |
| Other taxation and social security | 1,982 | 1,757 |
| Other creditors | 374 | 167 |
| Accruals and deferred income | 12,560 | 12,382 |
| | <u>24,557</u> | <u>20,279</u> |

The bank overdraft is secured by charges over some of the freehold property of the company and a fixed and floating charge over some of the company's other assets

**14. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | 2013 £000 | 2012 £000 |
|-----------------|--------------|--------------|
| Deferred grants | <u>1,661</u> | <u>1,728</u> |

15. DEFERRED TAXATION

| | 2013 £000 | 2012 £000 |
|----------------------------|--------------|--------------|
| At beginning of year | 2,119 | 2,533 |
| Released during year (P&L) | (1,745) | (414) |
| At end of year | <u>374</u> | <u>2,119</u> |

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

15. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Accelerated capital allowances | - | 44 |
| Roll over relief on profit on sale of players registrations | 524 | 2,075 |
| Other timing differences | (150) | - |
| | <u>374</u> | <u>2,119</u> |

16. PROVISIONS

| | Onerous contract £000 |
|-----------------|-----------------------------|
| At 1 July 2012 | 211 |
| Amounts used | (211) |
| At 30 June 2013 | <u>-</u> |

ONEROUS CONTRACT

The onerous contract provision constituted 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

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

18. RESERVES

| | Revaluation reserve £000 | Investment property revaluation reserve £000 | Profit and loss account £000 |
|--|--------------------------------|--|------------------------------------|
| At 1 July 2012 | 4,368 | (218) | 18,317 |
| Profit for the financial year | | | 5,333 |
| Transfer between Revaluation reserve and P/L account | (92) | | 92 |
| At 30 June 2013 | <u>4,276</u> | <u>(218)</u> | <u>23,742</u> |

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2013 | 2012 |
|--------------------------------------|---------------|-------------|
| | £000 | £000 |
| Opening shareholders' funds | 22,467 | 22,834 |
| Profit/(loss) for the financial year | 5,333 | (367) |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 27,800 | 22,467 |
| | <hr/> | <hr/> |

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 fulfillment of a specific number of appearances in the future, which amount to £0.35m (2012 £0.60m). 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.

21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £189,728 (2012 - £287,791). Contributions totalling £11,669 (2012 - £12,682) were payable to the fund at the balance sheet date and are included in creditors.

22. OPERATING LEASE COMMITMENTS

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|-------------------------|---------------------------|-------------|
| | 2013 | 2012 |
| | £000 | £000 |
| EXPIRY DATE: | | |
| Between 2 and 5 years | 118 | 82 |
| After more than 5 years | 75 | 75 |
| | <hr/> | <hr/> |

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

23. TRANSACTIONS WITH DIRECTORS AND RELATED PARTY TRANSACTIONS

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

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose related party transactions with other group companies on the grounds that all subsidiaries within the group which have entered into related party transactions with each other are wholly owned subsidiaries of the intermediate members of the intermediate parent of the group, West Bromwich Albion Group Limited.

24. POST BALANCE SHEET EVENTS

Since 30 June 2013 the Club has purchased and sold players registrations at a total initial cost of £9.81m (2012: £Nil) and for proceeds of £2.25m (2012: £1.35m).

As at 30 June 2013 the Club's future minimum liability on first team wages over the remainder of their contracts, excluding any option years was £51.77m.

As at 1 September, taking into account the purchase, sale and season long loans of player registrations since 30 June 2013, together with any contract extensions, the Club's future liability on the team player wages had increased by a further £16.15m to £67.92m.

25. 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 for which Group financial statements for the period were prepared and are available at Companies House. The ultimate controlling party of West Bromwich Albion Holdings Limited is J R Peace, a director of the company.