
WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014


Clement Keys LLP
CHARTERED ACCOUNTANTS

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WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS

J R Peace
M J Jenkins
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 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the 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 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £10.8m (2013 - £5.3m).

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
R Garlick
A Wright

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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 16 January 2015 and signed on its behalf.

M J Jenkins
Director



WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2014

INTRODUCTION

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

BUSINESS REVIEW

During 2013-14 West Bromwich Albion competed in the Barclays Premier League for the fourth consecutive season and for the eighth time in twelve years. After a highly successful previous season, 2013-14 proved far more challenging with the First Team recording 36 points through seven wins and fifteen draws. The Club finished the season in 17th place and secured its top flight status for a further year. Despite a difficult year the Club did achieve some notable results including its first win at Old Trafford since 1978 and its first point at Stamford Bridge in the Barclays Premier League era.

PRINCIPAL RISKS AND UNCERTAINTIES

The board is aware of the risks which affect the company. It has analysed its previous seasons in the Barclays Premier League and has tried to implement lessons learned from this and as a consequence it believes 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.

KEY PERFORMANCE INDICATORS

	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2011
League	Premier League	Premier League	Premier League	Premier League
Turnover	£86.8m	£69.7m	£66.7m	£59.4m
Operating profit before player amortisation and trading	£8.3m	£5.8m	£5.4m	£19.4m
Profit before tax	£12.8m	£6.0m	£0.4m	£18.9m
League position: Premier League	17th	8th	10th	11th
Average attendances	25,200	25,250	24,850	24,650
Season ticket holders	19,200	19,300	18,900	18,700

This report was approved by the board on 16 January 2015 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 2014, which comprise the balance sheet, the profit and loss account, the cash flow statement 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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic report and 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

16 January 2015



WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Operations excluding player amortisation and trading £000	Player amortisation and trading £000	Total 2014 £000	Total 2013 £000
TURNOVER	2	86,769	-	86,769	69,734
Operating expenses		(78,488)	(5,221)	(83,709)	(66,829)
OPERATING PROFIT before profit on disposal of player registrations	3	8,281	(5,221)	3,060	2,905
Profit on disposal of player registrations		-	9,598	9,598	3,091
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		8,281	4,377	12,658	5,996
Interest receivable				99	48
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				12,757	6,044
Tax on profit on ordinary activities	7			(1,996)	(711)
PROFIT FOR THE FINANCIAL YEAR	17			10,761	5,333

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account

The notes on pages 10 to 23 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 2014**

	2014	2013
	£000	£000
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	12,756	6,044
Realisation of valuation gains of previous periods	92	92
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	12,848	6,136
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	10,852	5,425

The notes on pages 10 to 23 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED
REGISTERED NUMBER: 03295063

BALANCE SHEET
AS AT 30 JUNE 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Intangible assets	8		8,420	2,945
Tangible assets	9		23,595	23,415
Investment property	10		522	424
			<u>32,537</u>	<u>26,784</u>
CURRENT ASSETS				
Stocks	11	746		785
Debtors	12	34,273		22,905
Cash in hand		1,533		3,917
		<u>36,552</u>		<u>27,607</u>
CREDITORS: amounts falling due within one year	13	(27,824)		(24,557)
NET CURRENT ASSETS			<u>8,728</u>	<u>3,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>41,265</u>	<u>29,834</u>
CREDITORS: amounts falling due after more than one year	14		(1,595)	(1,661)
PROVISIONS FOR LIABILITIES				
Deferred tax	15		(1,111)	(374)
NET ASSETS			<u>38,559</u>	<u>27,799</u>
CAPITAL AND RESERVES				
Called up share capital	16		-	-
Revaluation reserve	17		4,184	4,276
Investment property reserve	17		(218)	(218)
Profit and loss account	17		34,593	23,741
SHAREHOLDERS' FUNDS	18		<u>38,559</u>	<u>27,799</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 January 2015.

M J Jenkins
Director

The notes on pages 10 to 23 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	19	3,161	(37)
Returns on investments and servicing of finance	20	100	48
Taxation		(1,977)	(1,488)
Capital expenditure and financial investment	20	(2,384)	944
DECREASE IN CASH IN THE YEAR		<u>(1,100)</u>	<u>(533)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 £000	2013 £000
Decrease in cash in the year	<u>(1,100)</u>	<u>(533)</u>
MOVEMENT IN NET DEBT IN THE YEAR	<u>(1,100)</u>	<u>(533)</u>
Net debt at 1 July 2013	(1,000)	(467)
NET DEBT AT 30 JUNE 2014	<u>21</u> <u>(2,100)</u>	<u>(1,000)</u>

The notes on pages 10 to 23 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 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.

1.3 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	-	2-10% straight line
Fixtures, fittings, plant & equipment-		2% to 25% straight line

1.4 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.

1.5 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 2014 by the directors.

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 OPERATING LEASES

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

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES (continued)

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 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.

1.10 TURNOVER

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

1.11 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.

1.12 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.

1.13 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.

1.14 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.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. ACCOUNTING POLICIES (continued)

1.15 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:

	2014	2013
	£000	£000
Gate receipts	6,950	7,072
Media related activities	69,277	52,592
UEFA solidarity and prize money	-	757
Commercial income	7,646	6,511
Merchandising	2,896	2,802
	<hr/> 86,769 <hr/>	<hr/> 69,734 <hr/>

All turnover arose within the United Kingdom.

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

3. OPERATING PROFIT

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

	2014	2013
	£000	£000
Amortisation of player registrations	5,221	2,903
Depreciation of tangible fixed assets:		
- owned by the company	1,008	900
Operating lease rentals:		
- land and buildings	147	114
Difference on foreign exchange	59	(101)
Release of property development reserve	(27)	(27)
Release of grants	(67)	(67)
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WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

4. AUDITORS' REMUNERATION

	2014	2013
	£000	£000
Fees payable to the company's auditor for the audit of the company's financial statements	17	17
	<u>17</u>	<u>17</u>

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.

5. STAFF COSTS

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

	2014	2013
	£000	£000
Wages and salaries	58,577	47,962
Social security costs	6,690	5,825
Other pension costs	203	190
	<u>65,470</u>	<u>53,977</u>

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

	2014	2013
	No.	No.
First Team Players and Coaching	40	45
Scholars	22	20
Youth Coaching	31	17
Administration and Commercial	49	51
Ground Staff	17	17
	<u>159</u>	<u>150</u>

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

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

6. DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Remuneration	1,946	2,417
Company pension contributions to defined contribution pension schemes	56	62

During the year retirement benefits were accruing to 4 directors (2013 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,022 thousand (2013 - £1,341 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20 thousand (2013 - £20 thousand).

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

7. TAXATION

	2014 £000	2013 £000
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	1,250	1,999
Adjustments in respect of prior periods	9	457
TOTAL CURRENT TAX	1,259	2,456
DEFERRED TAX		
Origination and reversal of timing differences	-	(209)
Effect of decreased tax rate on opening liability	(18)	-
Roll over relief on profit on sale of player registrations in year	755	231
Prior year adjustments	-	(1,767)
TOTAL DEFERRED TAX (see note 15)	737	(1,745)
TAX ON PROFIT ON ORDINARY ACTIVITIES	1,996	711
FACTORS AFFECTING TAX CHARGE FOR THE YEAR		

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	12,756	6,044
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%)	2,870	1,435
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	38	187
Depreciation for year in excess of capital allowances	62	78
Player registration timing differences	(1,757)	384
Adjustments to tax charge in respect of prior periods	9	457
Other timing differences leading to an increase (decrease) in taxation	-	(85)
Other differences leading to an increase (decrease) in the tax charge	37	-
CURRENT TAX CHARGE FOR THE YEAR (see note above)	1,259	2,456

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 2014

8. INTANGIBLE FIXED ASSETS

	Player registrations £000
COST	
At 1 July 2013	21,826
Additions	10,696
Disposals	(9,897)
At 30 June 2014	22,625
AMORTISATION	
At 1 July 2013	18,881
Charge for the year	5,221
On disposals	(9,897)
At 30 June 2014	14,205
NET BOOK VALUE	
At 30 June 2014	8,420
At 30 June 2013	2,945

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

9. TANGIBLE FIXED ASSETS

	Freehold property £000	Fixtures, fittings, plant & equipment £000	Total £000
COST OR VALUATION			
At 1 July 2013	29,424	4,814	34,238
Additions	466	722	1,188
At 30 June 2014	<u>29,890</u>	<u>5,536</u>	<u>35,426</u>
DEPRECIATION			
At 1 July 2013	6,666	4,157	10,823
Charge for the year	678	330	1,008
At 30 June 2014	<u>7,344</u>	<u>4,487</u>	<u>11,831</u>
NET BOOK VALUE			
At 30 June 2014	<u>22,546</u>	<u>1,049</u>	<u>23,595</u>
At 30 June 2013	<u>22,758</u>	<u>657</u>	<u>23,415</u>

Included in land and buildings is freehold land at valuation of £2,039,125 (2013 - £2,039,125), cost £806,407 (2013 - £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 2014 is as follows:

	Land and buildings £000
AT COST	24,145
AT VALUATION:	
1996 -see above	<u>5,745</u>
	<u>29,890</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

10. INVESTMENT PROPERTY

	Long term leasehold investment property £000
VALUATION	
At 1 July 2013	424
Additions at cost	98
	<hr/>
At 30 June 2014	522
	<hr/>
COMPRISING	
Cost	740
Annual revaluation surplus/(deficit): 2012	(218)
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At 30 June 2014	522
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The Directors have reviewed the open market value of the investment properties and consider that the book value at 30 June 2014 is not significantly different to open market value.

11. STOCKS

	2014 £000	2013 £000
Goods for resale	746	785
	<hr/>	<hr/>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

12. DEBTORS

	2014 £000	2013 £000
Trade debtors	6,455	2,124
Amounts owed by group undertakings	8,486	8,917
Other debtors	17,665	11,021
Prepayments and accrued income	1,667	843
	<u>34,273</u>	<u>22,905</u>

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

	2014 £000	2013 £000
Bank overdraft	3,633	4,917
Trade creditors	4,827	584
Deferred grants	67	67
Amounts owed to group undertakings	2,105	2,105
Corporation tax	1,250	1,968
Other taxation and social security	1,568	1,982
Other creditors	455	374
Accruals and deferred income	13,919	12,560
	<u>27,824</u>	<u>24,557</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**

	2014 £000	2013 £000
Deferred grants	<u>1,595</u>	<u>1,661</u>

15. DEFERRED TAXATION

	2014 £000	2013 £000
At beginning of year	374	2,119
Charge for/(released during) year (P&L)	737	(1,745)
At end of year	<u>1,111</u>	<u>374</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	2014 £000	2013 £000
Roll over relief on profit on sale of players registrations	1,253	524
Other timing differences	(142)	(150)
	<u>1,111</u>	<u>374</u>

16. SHARE CAPITAL

	2014 £	2013 £
ALLOTTED, CALLED UP AND FULLY PAID		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

17. RESERVES

	Revaluation reserve £000	Investment property revaluation reserve £000	Profit and loss account £000
At 1 July 2013	4,276	(218)	23,741
Profit for the financial year			10,760
Transfer between Revaluation reserve and P/L account	(92)		92
	<u>4,184</u>	<u>(218)</u>	<u>34,593</u>
At 30 June 2014			

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening shareholders' funds	27,799	22,466
Profit for the financial year	10,760	5,333
	<u>38,559</u>	<u>27,799</u>
Closing shareholders' funds		

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £000	2013 £000
Operating profit	3,060	2,905
Amortisation of player registrations	5,221	2,903
Impairment of player registrations	-	-
Depreciation of tangible fixed assets	1,008	901
Decrease in stocks	39	50
Increase in debtors	(11,368)	(6,050)
Increase/(decrease) in creditors	5,201	(535)
Increase/(decrease) in provisions	-	(211)
	<u>3,161</u>	<u>(37)</u>

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN
CASH FLOW STATEMENT**

	2014 £000	2013 £000
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	100	48
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>100</u>	<u>48</u>

	2014 £000	2013 £000
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of player registrations	(10,696)	(376)
Sale of player registrations	9,598	3,091
Purchase of tangible fixed assets	(1,188)	(1,771)
Purchase of Investment properties	(98)	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(2,384)</u>	<u>944</u>

**21. ANALYSIS OF CHANGES IN NET
DEBT**

	1 July 2013 £000	Cash flow £000	Other non- cash changes £000	30 June 2014 £000
Cash at bank and in hand	3,917	(2,384)	-	1,533
Bank overdraft	(4,917)	1,284	-	(3,633)
NET DEBT	<u>(1,000)</u>	<u>(1,100)</u>	<u>-</u>	<u>(2,100)</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

22. 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 £2.377m (2013: £0.35m). 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.

23. CAPITAL COMMITMENTS

At 30 June 2014 the company had capital commitments as follows:

	2014	2013
	£000	£000
Contracted for but not provided in these financial statements	588	-

24. 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 £127,520 (2013 - £189,728). Contributions totalling £21,036 (2013 - £11,669) were payable to the fund at the balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£000	£000
EXPIRY DATE:		
Between 2 and 5 years	37	118
After more than 5 years	75	75

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

26. 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.

27. POST BALANCE SHEET EVENTS

Since 30 June 2014 the Club has purchased and sold players registrations at a total initial cost of £14.00m (2013: £9.81) and for proceeds of £2.75m (2013: £2.25m).

As at 30 June 2014 the Club's future minimum liability on first team wages over the remainder of their contracts, excluding any option years was £41.73m

As at 1 September, taking into account the purchase, sale and season long loans of player registrations since 30 June 2014, together with any contract extensions, the Club's future liability on the team player wages had increased by a further £51.94m to £93.67m.

28. 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 will be available at Companies House. The ultimate controlling party of West Bromwich Albion Holdings Limited is J R Peace, a director of the company.