
WBA FOOTBALL DEVELOPMENTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006


Clement Keys
CHARTERED ACCOUNTANTS

THURSDAY



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COMPANIES HOUSE

WBA FOOTBALL DEVELOPMENTS LIMITED

CONTENTS

	Page
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

WBA FOOTBALL DEVELOPMENTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2006

The director presents his report and the financial statements for the year ended 30 June 2006.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

So far as the director is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a football development centre.

BUSINESS REVIEW

The director is satisfied with the results for the year. Likely future developments of the company are detailed in the Chairman's Statement of the Group Annual Report for West Bromwich Albion Holdings Limited, the ultimate parent company.

RESULTS

The profit for the year, after taxation, amounted to £32,085 (2005 - £19,640).

DIRECTOR

The director who served during the year had no interest in the issued share capital of the company, his interest in the issued share capital of the ultimate parent company, West Bromwich Albion Holdings Limited was:

	Ordinary shares of £1 each	
	30/6/06	1/7/05
M J Jenkins	41	41

WBA FOOTBALL DEVELOPMENTS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

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 6 November 2006 and signed on its behalf.



M J Jenkins
Director

WBA FOOTBALL DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WBA FOOTBALL DEVELOPMENTS LIMITED

We have audited the financial statements of WBA Football Developments Limited for the year ended 30 June 2006 set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 auditors' 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 Director's Responsibilities the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Director's Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Director's 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the director 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.

WBA FOOTBALL DEVELOPMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WBA FOOTBALL DEVELOPMENTS
LIMITED**

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

CLEMENT KEYS

Chartered Accountants
Registered Auditors

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

6 November 2006

WBA FOOTBALL DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Year ended 30 June 2006 £	Period ended 30 June 2005 £
TURNOVER	1,2	72,525	60,320
Administrative expenses		(27,322)	(26,475)
OPERATING PROFIT	3	45,203	33,845
	5	-	(31)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,203	33,814
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	(13,118)	(14,174)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	32,085	19,640

All amounts relate to continuing operations.

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

WBA FOOTBALL DEVELOPMENTS LIMITED

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 £	2005 £
TANGIBLE FIXED ASSETS	7	2,563,992	2,178,148
DEBTORS	8	46,103	2
CREDITORS: amounts falling due within one year	9	(2,514,369)	(2,116,185)
NET CURRENT LIABILITIES		(2,468,266)	(2,116,183)
TOTAL ASSETS LESS CURRENT LIABILITIES		95,726	61,965
PROVISIONS FOR LIABILITIES	10	(12,773)	(11,097)
NET ASSETS		82,953	50,868
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	82,951	50,866
SHAREHOLDERS' FUNDS - All equity	13	82,953	50,868

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 November 2006.


M J Jenkins
Director

The notes on pages 7 to 12 form part of these financial statements.

WBA FOOTBALL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 FRS1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost 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 of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Training Centre	- 2% straight line
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1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

2. TURNOVER

All turnover arose within the United Kingdom.

WBA FOOTBALL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 30 June 2006 £	Period ended 30 June 2005 £
Depreciation of tangible fixed assets: - owned by the company	<u>27,322</u>	<u>26,475</u>

During the year, no director received any emoluments (2005 - £NIL).

4. STAFF COSTS

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

	Year ended 30 June 2006 No.	Period ended 30 June 2005 No.
Director	<u>1</u>	<u>1</u>

5. INTEREST PAYABLE

	Year ended 30 June 2006 £	Period ended 30 June 2005 £
Other interest payable	<u>-</u>	<u>31</u>

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

6. TAXATION

	Year ended 30 June 2006 £	Period ended 30 June 2005 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profits of the year	11,442	9,690
Adjustments in respect of prior periods	-	2
Total current tax	<u>11,442</u>	<u>9,692</u>
Deferred tax		
Origination and reversal of timing differences	1,676	4,482
Tax on profit on ordinary activities	<u>13,118</u>	<u>14,174</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	Year ended 30 June 2006 £	Period ended 30 June 2005 £
Profit on ordinary activities before tax	<u>45,203</u>	<u>33,814</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005 - 19%%)	8,589	6,425
Effects of:		
Expenses not deductible for tax purposes	-	3,265
Depreciation for year in excess of capital allowances	2,853	-
Adjustments to tax charge in respect of prior periods	-	2
Current tax charge for the year (see note above)	<u>11,442</u>	<u>9,692</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

7. TANGIBLE FIXED ASSETS

	Training Centre £
Cost	
At 1 July 2005	2,227,747
Additions	413,166
At 30 June 2006	<u>2,640,913</u>
Depreciation	
At 1 July 2005	49,599
Charge for the year	27,322
At 30 June 2006	<u>76,921</u>
Net book value	
At 30 June 2006	<u>2,563,992</u>
At 30 June 2005	<u>2,178,148</u>

Included in the Training Centre is freehold land at a cost £828,000 (2005 - £828,000) which is not depreciated.

8. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	2	2
Other debtors	46,101	-
	<u>46,103</u>	<u>2</u>

**9. CREDITORS:
Amounts falling due within one year**

	2006 £	2005 £
Trade creditors	109,138	-
Amounts owed to group undertakings	2,384,094	2,106,490
Corporation tax	21,132	9,690
Other creditors	5	5
	<u>2,514,369</u>	<u>2,116,185</u>

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

10. DEFERRED TAXATION

	2006 £	2005 £
At 1 July 2005	11,097	6,615
Charge for the year	1,676	4,482
	<u>12,773</u>	<u>11,097</u>
At 30 June 2006	<u>12,773</u>	<u>11,097</u>

The provision for deferred taxation is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	<u>12,773</u>	<u>11,097</u>

11. SHARE CAPITAL

	2006 £	2005 £
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>

12. RESERVES

	Profit and loss account £
At 1 July 2005	50,866
Profit retained for the year	32,085
	<u>82,951</u>
At 30 June 2006	<u>82,951</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	50,868	31,228
Profit for the year	32,085	19,640
	<u>82,953</u>	<u>50,868</u>
Closing shareholders' funds	<u>82,953</u>	<u>50,868</u>

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

14. CONTINGENT LIABILITIES

The company is party to a cross guarantee and debenture to secure balances due to bankers by other group companies. At 30 June 2006 the contingent liability is £1,558,494 (2005: £2,800,000).

15. CAPITAL COMMITMENTS

At 30 June 2006 the company had capital commitments as follows:

	2006	2005
	£	£
Contracted for but not provided in these financial statements	-	-

16. RELATED PARTY TRANSACTIONS

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 group accounts are prepared.

17. 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 at The Hawthorns, West Bromwich, West Midlands.