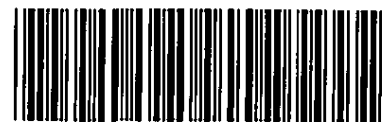

WBA FOOTBALL DEVELOPMENTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007


Clement Keys
CHARTERED ACCOUNTANTS

FRIDAY



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WBA FOOTBALL DEVELOPMENTS LIMITED

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WBA FOOTBALL DEVELOPMENTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2007

The director presents his report and the financial statements for the year ended 30 June 2007

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 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 AND DIVIDENDS

The profit for the year, after taxation, amounted to £176,304 (2006 - £32,085).

The director does not recommend a dividend.

WBA FOOTBALL DEVELOPMENTS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

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	
	30/6/07	1/7/06
M J Jenkins	41	41

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 12 September 2007 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 2007 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we 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

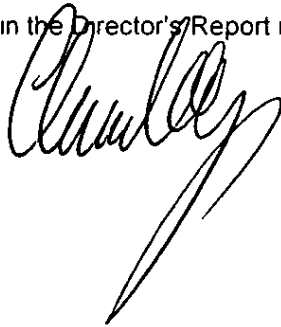
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WBA FOOTBALL DEVELOPMENTS
LIMITED**

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 2007 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



12 September 2007

WBA FOOTBALL DEVELOPMENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	30 June 2007 £	Year ended 30 June 2006 £
TURNOVER	1,2	300,000	72,525
Administrative expenses		(49,045)	(27,322)
		<hr/>	<hr/>
OPERATING PROFIT	3	250,955	45,203
Interest payable	5	(251)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		250,704	45,203
Tax on profit on ordinary activities	6	(74,400)	(13,118)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	176,304	32,085
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 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 2007**

	Note	£	2007	£	£	2006	£
TANGIBLE FIXED ASSETS	7			3,383,261		2,563,992	
Debtors	8	12,766			46,104		
Cash at bank		34			-		
		12,800			46,104		
CREDITORS amounts falling due within one year	9	(3,124,030)			(2,514,369)		
NET CURRENT LIABILITIES				(3,111,230)		(2,468,265)	
TOTAL ASSETS LESS CURRENT LIABILITIES				272,031		95,727	
PROVISIONS FOR LIABILITIES	10			(12,773)		(12,773)	
NET ASSETS				259,258		82,954	
CAPITAL AND RESERVES							
Called up share capital	11			2		2	
Profit and loss account	12			259,256		82,952	
SHAREHOLDERS' FUNDS	13			259,258		82,954	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 September 2007


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 2007

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 tax 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 not 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 2007

3. OPERATING PROFIT

The operating profit is stated after charging

	30 June 2007 £	Year ended 30 June 2006 £
Depreciation of tangible fixed assets - owned by the company	47,800	27,322

During the year, no director received any emoluments (2006 - £NIL)

4 STAFF COSTS

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

	30 June 2007 No	Year ended 30 June 2006 No
Director	1	1

5 INTEREST PAYABLE

	30 June 2007 £	Year ended 30 June 2006 £
Other interest payable	251	-

6 TAXATION

	30 June 2007 £	Year ended 30 June 2006 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profits for the year	74,400	11,442
Deferred tax (see note 10)		
Origination and reversal of timing differences	-	1,676
Tax on profit on ordinary activities	74,400	13,118

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

6. TAXATION (continued)

Factors affecting tax charge for the year

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

	30 June 2007 £	<i>Year ended 30 June 2006 £</i>
Profit on ordinary activities before tax	250,704	45,203
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2006 - 19%)	47,634	8,589
Effects of.		
Depreciation for year in excess of capital allowances	26,766	2,853
Current tax charge for the year (see note above)	74,400	11,442

Factors that may affect future tax charges

There were no factors that may affect future tax charges

7 TANGIBLE FIXED ASSETS

	Training Centre £
Cost	
At 1 July 2006	2,640,913
Additions	867,069
At 30 June 2007	3,507,982
Depreciation	
At 1 July 2006	76,921
Charge for the year	47,800
At 30 June 2007	124,721
Net book value	
At 30 June 2007	3,383,261
At 30 June 2006	2,563,992

Included in the Training Centre is freehold land at a cost £828,000 (2006 - £828,000) which is not depreciated

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	2	2
Other debtors	12,764	46,102
	<u>12,766</u>	<u>46,104</u>

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

	2007 £	2006 £
Trade creditors	6,911	109,138
Amounts owed to group undertakings	3,042,714	2,384,094
Corporation tax	74,400	21,132
Other creditors	5	5
	<u>3,124,030</u>	<u>2,514,369</u>

10. DEFERRED TAXATION

	2007 £	2006 £
At 1 July 2006	12,773	11,097
Charge for the year	-	1,676
	<u>12,773</u>	<u>12,773</u>
At 30 June 2007		

The provision for deferred taxation is made up as follows

	2007 £	2006 £
Accelerated capital allowances	<u>12,773</u>	<u>12,773</u>

WBA FOOTBALL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

11 SHARE CAPITAL

	2007 £	2006 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

12 RESERVES

	Profit and loss account £
At 1 July 2006	82,952
Profit retained for the year	176,304
At 30 June 2007	259,256

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Opening shareholders' funds	82,954	50,869
Profit for the year	176,304	32,085
Closing shareholders' funds	259,258	82,954

14. CONTINGENT LIABILITIES & OTHER COMMITMENTS

The company is party to a cross guarantee and debenture to secure balances due to bankers by other group companies

15 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

WBA FOOTBALL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

16. 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. Group financial statements are available at The Hawthorns, West Bromwich, West Midlands.