
WBA FOOTBALL DEVELOPMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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WBA FOOTBALL DEVELOPMENT LIMITED
REGISTERED NUMBER: 03748777

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	3,700,103	3,637,509
		<u>3,700,103</u>	<u>3,637,509</u>
Current assets			
Debtors: amounts falling due within one year	8	51,085	640
		<u>51,085</u>	<u>640</u>
Creditors: amounts falling due within one year	9	(3,542,214)	(3,445,330)
		<u>(3,542,214)</u>	<u>(3,445,330)</u>
Net current liabilities		(3,491,129)	(3,444,690)
Total assets less current liabilities		208,974	192,819
Provisions for liabilities			
Deferred tax	10	(44,943)	(10,135)
		<u>(44,943)</u>	<u>(10,135)</u>
Net assets		164,031	182,684
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		164,029	182,682
		<u>164,031</u>	<u>182,684</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 February 2018.


M J Jenkins
 Director

The notes on pages 3 to 10 form part of these financial statements.

WBA FOOTBALL DEVELOPMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	2	182,682	182,684
Comprehensive income for the year			
Loss for the year	-	(18,653)	(18,653)
Total comprehensive income for the year	-	(18,653)	(18,653)
At 30 June 2017	2	164,029	164,031

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	2	156,421	156,423
Comprehensive income for the year			
Profit for the year	-	26,261	26,261
Total comprehensive income for the year	-	26,261	26,261
At 30 June 2016	2	182,682	182,684

The notes on pages 3 to 10 form part of these financial statements.

WBA FOOTBALL DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

WBA Football Development Limited is a limited liability company incorporated and domiciled in England and Wales. The address of its registered office is shown on the company information page.

The financial statements are for the year ended 30 June 2017 (2016: year ended 30 June 2016).

The principal activity of the company in the period under review was that of operating a Professional football development centre.

The company's ultimate parent company is Yunyi Guokai (Shanghai) Sports Development Limited, a company registered in China. The highest company for which Group financial statements as at 30 June 2017 have been prepared is West Bromwich Albion Holdings Limited, a company incorporated in England and Wales, for which accounts will be available at Companies House by 31 March 2018.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

Cash flow

Under Financial Reporting Standard 102, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company.

The following principal accounting policies have been applied:

2.2 Going concern

As part of the procedures for finalisation of the financial statements the director prepared profit and cash flow forecasts that showed that the Group would possibly need an overdraft facility or other funding arrangements for at least part of the period May to July 2018. The Group did not have previously agreed overdraft facilities but has concluded an agreement in principle with its bank to provide a sufficient short term overdraft facility from mid-April 2018 for three or four months secured against funds to be received from the Premier League in July 2018. At the date of approval of these financial statements this facility is not formally agreed but based on discussions with the bank the director is comfortable that these facilities will be made available if required. In addition, the director considers that if necessary they could actively manage cash flows in the short term such that the Group would not need an overdraft facility or other funding arrangements at any stage over the 12 months from the date of approval of these financial statements.

Furthermore, the director has received confirmation from the group undertaking concerned that they will not seek repayment of the amount due to them within 12 months from the date of approval of the financial statements, unless sufficient funds are available to do so, and will provide any funding required to enable the company to trade and pay its debts as they fall due for payment, for at least 12 months from the date of approval of the financial statements. As a result, the director considers it appropriate to prepare the financial statements on the going concern basis.

WBA FOOTBALL DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises revenue in respect of the hire of football training facilities, recognised in full in the year to which it relates.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- Nil
Freehold property	- 2% to 10% straight line
Fixtures and fittings	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and amounts owed by or to group undertakings.

Basic financial instruments (other than those wholly repayable or receivable within one year), are measured at amortised cost using the effective interest method. The effective interest rate is the rate which exactly discounts the estimated future payments or receipts over the life of the instrument to its carrying amount at initial recognition, re estimated periodically to reflect changes in the market rate of interest. Basic financial instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

WBA FOOTBALL DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation where settlement by a transfer of economic benefit is probable, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

WBA FOOTBALL DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies as described in note 2, the Company's Management are required to exercise judgment and make estimates and assumptions concerning the Company's future.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors considered relevant, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the director has made the following key judgments, estimates or assumptions:

Tangible assets, depreciation and residual values

The Director has reviewed the estimates for useful lives and associated residual values of all tangible asset classes and have concluded that useful lives and residual values are appropriate.

The useful lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and potential disposal values.

Impairment of non current assets

The company assesses the impairment of tangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Provisions

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgment in the process of applying the company accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believe to be reasonable under the circumstances.

4. Auditors' remuneration

The audit fee has been borne by a fellow group undertaking, West Bromwich Albion Football Club Limited.

5. Employees

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

	2017 No.	2016 No.
Director	1	1

WBA FOOTBALL DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	22,952	-
Adjustments in respect of previous periods	-	(1,796)
	<u>22,952</u>	<u>(1,796)</u>
Total current tax	<u>22,952</u>	<u>(1,796)</u>
Deferred tax		
Origination and reversal of timing differences	(16,541)	(2,241)
Changes to tax rates	-	(1,126)
Adjustments in respect of prior periods	51,349	-
Total deferred tax	<u>34,808</u>	<u>(3,367)</u>
Taxation on profit/(loss) on ordinary activities	<u>57,760</u>	<u>(5,163)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>39,107</u>	<u>21,098</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	7,724	4,220
Effects of:		
Capital allowances for year in excess of depreciation	-	3,960
Adjustments to tax charge in respect of prior periods	51,349	(1,796)
Unrelieved tax losses carried forward	-	(11,547)
Difference in tax rates	(1,313)	-
Total tax charge for the year	<u>57,760</u>	<u>(5,163)</u>

WBA FOOTBALL DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Taxation (continued)

Factors that may affect future tax charges

Legislative changes have been announced which will eventually reduce the main rate of corporation tax of 19% to 17% thus reducing the overall tax charge of future years. The change will be effective for periods beginning on or after 1 April 2020 when the rate reduces to 17%.

Deferred tax balances must be recognised at the future tax rate applicable when the balance is expected to unwind.

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 July 2016	5,991,778	26,622	6,018,400
Additions	260,680	-	260,680
At 30 June 2017	<u>6,252,458</u>	<u>26,622</u>	<u>6,279,080</u>
Depreciation			
At 1 July 2016	2,354,428	26,463	2,380,891
Charge for the year on owned assets	197,927	159	198,086
At 30 June 2017	<u>2,552,355</u>	<u>26,622</u>	<u>2,578,977</u>
Net book value			
At 30 June 2017	<u>3,700,103</u>	<u>-</u>	<u>3,700,103</u>
At 30 June 2016	<u>3,637,350</u>	<u>159</u>	<u>3,637,509</u>

Included in land and buildings is freehold land at cost of £828,000 (2016 - £828,000) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	2	2
Other debtors	51,083	638
	<u>51,085</u>	<u>640</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	183,153	-
Amounts owed to group undertakings	3,336,104	3,445,299
Corporation tax	22,952	26
Other creditors	5	5
	<u>3,542,214</u>	<u>3,445,330</u>

Amounts owed to group undertakings are unsecured, have no fixed date for repayment and are all repayable on demand. The director does not expect to make substantial repayment of the amounts owed to group undertakings within 12 months following approval of these financial statements.

10. Deferred taxation

	2017 £
At beginning of year	10,135
Charged to profit or loss	34,808
At end of year	<u>44,943</u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	44,943
	<u>44,943</u>

WBA FOOTBALL DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. Contingent liabilities

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

13. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publically available, the company has taken advantage of FRS102 Section 33.1A exemption from disclosing transactions with group undertakings.

14. Controlling party

The company's ultimate parent company is Yunyi Guokai (Shanghai) Sports Development Limited, a company registered in China. The highest company for which Group financial statements are available is West Bromwich Albion Holdings Limited, a company incorporated in England and Wales. These accounts can be obtained from Companies House. The company's immediate parent, and also the smallest company for which Group financial statements are prepared and available at Companies House, is West Bromwich Albion Group Limited, a company incorporated in England and Wales. The registered office of both West Bromwich Albion Group Limited and West Bromwich Albion Holdings Limited is The Hawthorns, West Bromwich, West Midlands, B71 4LF.

The ultimate controlling party of Yunyi Guokai (Shanghai) Sports Development Limited is G Lai.

15. Auditors' information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The audit report was unqualified.

The auditor was BDO LLP, Birmingham
Thomas Lawton signed the audit report as senior statutory auditor.