

WBA Football Development Limited

Financial Statements for the year ended 30 June 2018

Registered Number 03748777



Director and advisers

Director

M J Jenkins

Registered number

03748777

Registered office

The Hawthorns
West Bromwich
West Midlands
B71 4LF

Balance Sheet as at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	3,501,416	3,700,103
		<u>3,501,416</u>	<u>3,700,103</u>
Current assets			
Debtors: amounts falling due within one year	8	640	51,085
		<u>640</u>	<u>51,085</u>
Creditors: amounts falling due within one year	9	(3,283,087)	(3,542,214)
		<u>(3,283,087)</u>	<u>(3,542,214)</u>
Net current liabilities		<u>(3,282,447)</u>	<u>(3,491,129)</u>
Total assets less current liabilities		218,969	208,974
Provisions for liabilities			
Deferred tax	10	(22,081)	(44,943)
		<u>(22,081)</u>	<u>(44,943)</u>
Net assets		<u>196,888</u>	<u>164,031</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		196,886	164,029
		<u>196,886</u>	<u>164,029</u>
		<u>196,888</u>	<u>164,031</u>

These 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 1A – small entities.

The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the special 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 12 December 2018.



M J Jenkins
Director

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

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

Notes to the Financial Statements for the year ended 30 June 2018

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 2018 (2017: year ended 30 June 2017).

The principal activity of the company in the year 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 2018 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 2019.

2. Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

3.1 Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

3.2 Cash flow statement

The company is a wholly owned subsidiary company of a group headed by West Bromwich Albion Holdings Limited, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1.12(b).

3.3 Related party transactions

The company has taken advantage of the exemption granted under FRS 102 paragraph 1.12 (e) to not disclose transactions with other group companies where they are wholly owned by a common parent entity

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

3.4 Going concern

As part of the procedures for finalisation of the financial statements the directors prepared profit and cash flow forecasts that showed that the Group, of which the Company is a member, would require an overdraft facility or other funding arrangements for at least part of the period January to July 2019. The Group has concluded an agreement in principle with its bank to provide a sufficient short term overdraft facility from mid December 2018 for the period required, secured against funds to be received from the Premier League in July 2019. At the date of approval of these financial statements this facility is not formally agreed but based on discussions with the bank the directors are comfortable that these facilities will be made available as required. In addition, the directors consider 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.

3.5 Turnover

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

3.6 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.

3.7 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.

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

3.8 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.

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.

3.9 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.

3.10 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.

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

3.10 Current and deferred taxation (continued)

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.

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

In applying the Company's accounting policies as described in note 3, 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.

5. Employees

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

	2018	2017
	No.	No.
Director	<u>1</u>	<u>1</u>

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

6. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	22,952
Adjustments in respect of previous periods	-	-
	<u>-</u>	<u>22,952</u>
Total current tax	<u>-</u>	<u>22,952</u>
Deferred tax		
Origination and reversal of timing differences	(22,862)	(16,541)
Adjustments in respect of prior periods	-	51,349
	<u>(22,862)</u>	<u>34,808</u>
Total deferred tax	<u>(22,862)</u>	<u>34,808</u>
Taxation on profit on ordinary activities	<u>(22,862)</u>	<u>57,760</u>

The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.75%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>9,995</u>	<u>39,107</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.75%)	1,899	7,724
Effects of:		
Capital allowances for year in excess of depreciation	(488)	-
Adjustments to tax charge in respect of prior periods	-	51,349
Group relief received	(24,273)	-
Difference in tax rates	-	(1,313)
Total tax charge for the year	<u>(22,862)</u>	<u>57,760</u>

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.

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

7. Tangible fixed assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 July 2017	6,252,458	26,622	6,279,080
Additions	4,000	-	4,000
At 30 June 2018	<u>6,256,458</u>	<u>26,622</u>	<u>6,283,080</u>
Depreciation			
At 1 July 2017	2,552,355	26,622	2,578,977
Charge for the year on owned assets	202,687	-	202,687
At 30 June 2018	<u>2,755,042</u>	<u>26,622</u>	<u>2,781,664</u>
Net book value			
At 30 June 2018	<u>3,501,416</u>	<u>-</u>	<u>3,501,416</u>
At 30 June 2017	<u>3,700,103</u>	<u>-</u>	<u>3,700,103</u>

Included in land and buildings is freehold land at cost of £828,000 (2017: £828,000) which is not depreciated.

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

8. Debtors: amounts falling due within one year

	2018 £	2017 £
Amounts owed by group undertakings	2	2
Other debtors	638	51,083
	<u>640</u>	<u>51,085</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	183,153
Amounts owed to group undertakings	3,095,130	3,336,104
Corporation tax	22,952	22,952
Other taxation and social security	165,000	-
Other creditors	5	5
	<u>3,283,087</u>	<u>3,542,214</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

	2018 £
At beginning of year	44,943
Charged to profit or loss	(22,862)
At end of year	<u>22,081</u>

Notes to the Financial Statements for the year ended 30 June 2018 (continued)

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	22,081	44,943
	<u>22,081</u>	<u>44,943</u>

11. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted and fully paid		
2 (2017: 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 Director's Report 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 provide in accordance with s444(5B) of the Companies Act 2006.

The audit report was unqualified.

The auditor was PricewaterhouseCoopers LLP.
Neil Philpott signed the audit report as senior statutory auditor.