

Co. No. 3295063

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008




Clement Keys
CHARTERED ACCOUNTANTS

COMPANY INFORMATION

DIRECTORS

J R Peace
J W Brandrick (resigned 15/10/07)
M J Jenkins
T Gardiner (resigned 16/05/08)
M Davies
D Eales

SECRETARY

D Eales

COMPANY NUMBER

3295063

REGISTERED OFFICE

The Hawthorns
West Bromwich
West Midlands
B71 4LF

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DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2008

The directors present their report and the financial statements for the year ended 30 June 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are 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 directors 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 directors are required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements 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 directors are responsible for keeping proper accounting records that 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 1985. 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. In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

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 may differ from legislation in other jurisdictions.

The auditors are responsible for forming an independent opinion on these Financial Statements and for reporting their opinion to shareholders.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

The directors are satisfied with the results for the year. The business review is detailed in the Chairman's Statement of the Group Annual Report for West Bromwich Albion Holdings Limited.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £7,521,813 (2007 – £3,531,469).

The directors do not recommend the payment of a dividend.

**DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2008**
(continued)

DIRECTORS

The directors who served during the year are shown below:

J R Peace
J W Brandrick (resigned 15/10/07)
M J Jenkins
T Gardiner (resigned 16/05/08)
M Davies
D Eales

EVENTS SINCE THE END OF THE YEAR

Since 30 June 2008 the Club has acquired players registrations at a total cost of £15.3m (2007:£12m). Furthermore the Club has sold players registrations for an initial sum of £8.5m (2007:£17.7m).

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

Whilst the Company does not follow any specified code or standard of payment practice we do endeavour to ensure all payments are made within mutually agreed credit terms. The creditor days are not given as they are distorted by player trading which fluctuates significantly year on year.

AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditor are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 13 October 2008 and signed on its behalf.



M J Jenkins
Director

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' 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 2008 set out on pages 6 to 20. 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 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 AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are 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 and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' 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 transactions is not disclosed.

We read the Directors Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by the directors 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 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.

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 2008 and of its results 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 Directors' Report is consistent with the financial statements.


CLEMENT KEYS

**Chartered Accountants
Registered Auditors**
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS
13 October 2008

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 30 June 2008

	2008 Operations excluding player amortisation and trading £'000	2008 Player trading £'000	2008 Total £'000	2007 Total £'000
TURNOVER (Note 1,2)	27,237	-	27,237	23,797
Operating expenses	(28,914)	(5,666)	(34,580)	(25,348)
Exceptional item (Note 7)	-	-	-	3,018
OPERATING (LOSS)/PROFIT before profit on disposal of players' registrations (Note 3)	<u>(1,677)</u>	<u>(5,666)</u>	<u>(7,343)</u>	<u>1,467</u>
Profit on disposal of player registrations	-	18,116	18,116	3,717
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	<u>(1,677)</u>	<u>12,450</u>	10,773	5,184
Interest receivable			66	9
Interest payable (Note 6)			(90)	(222)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>10,749</u>	<u>4,971</u>
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (Note 8)			(3,227)	(1,440)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION (Note 18)			<u><u>7,522</u></u>	<u><u>3,531</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

**NOTES OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30JUNE 2008**

	2008 £'000	2007 £'000
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	10,749	4,971
Realisation of valuation gains of previous periods	92	92
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	<hr/> 10,841 <hr/>	<hr/> 5,063 <hr/>
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION	<hr/> 7,614 <hr/>	<hr/> 3,623 <hr/>

The notes on pages 9 to 20 form part of these financial statements.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 £'000	2007 £'000
FIXED ASSETS			
Intangible fixed assets	9	17,094	4,892
Tangible fixed assets	10	<u>21,384</u>	<u>20,824</u>
		38,478	25,716
CURRENT ASSETS			
Stocks	11	160	301
Debtors	12	19,040	10,074
Cash at bank and in hand		9	9
		<u>19,209</u>	<u>10,384</u>
CREDITORS: amounts falling due within one year	13	(36,474)	(25,127)
NET CURRENT LIABILITIES		(17,265)	(14,743)
TOTAL ASSETS LESS CURRENT LIABILITIES		21,213	10,973
CREDITORS: amounts falling due after more than one year	14	(1,994)	(2,115)
PROVISIONS FOR LIABILITIES			
Deferred Taxation	15	(3,660)	(713)
Other provisions	16	<u>(211)</u>	<u>(319)</u>
		(3,871)	(1,032)
NET ASSETS		<u>15,348</u>	<u>7,826</u>
CAPITAL AND RESERVES			
Called up share capital	17	2	2
Revaluation reserve	18	4,734	4,826
Profit and loss account	18	10,612	2,998
SHAREHOLDERS' FUNDS – All equity	19	<u>15,348</u>	<u>7,826</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 October 2008.


M J Jenkins
Director

The notes on pages 9 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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 certain freehold land and buildings are in accordance with applicable accounting standards and UK law.

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

1.4 Intangible fixed assets and amortisation

The cost of acquiring player's 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.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less the estimated residual value, over their expected on the following bases:

Freehold land	-	Nil%
Freehold buildings	-	2% straight line
Leasehold buildings	-	Over lease term
Equipment	-	5 – 25% straight line

1.6 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets 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.

1.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (CONTINUED)**

1.8 Leases and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Stocks

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Deferred taxation

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.

Deferred tax is not provided for on timing differences arising from the revaluation of tangible fixed assets in the financial statements.

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 not discounted.

1.12 Pensions

The pension cost charged in the period represents contributions payable into the personal pension schemes of certain members of staff.

1.13 Grants

Grants in respect of capital expenditure are treated as deferred income and credited to the profit and loss account over the expected useful lives of the related assets. Grants relating to expenditure arising out of the provisions of the Safety of Sports Grounds Act 1975 are credited to the profit and loss account in the same period in which the expenditure is charged.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONTINUED)

1.14 Financial instruments

The company's financial instruments during the period comprised bank loans 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.

2. TURNOVER

	2008 £'000	2007 £'000
Gate Receipts	6,977	7,999
Merchandising	2,287	2,294
Media Related Activities	13,942	9,398
Other Commercial Income	4,031	4,106
	<u>27,237</u>	<u>23,797</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

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

	2008 £'000	2007 £'000
Amortisation of player registrations	5,875	1,144
Reversal of impairment of player registrations	(209)	(3,018)
Depreciation of tangible fixed assets:		
- owned by the company	758	732
Auditors remuneration:		
-fee payable to the company's auditor for the audit of the company's accounts	20	19
-fee payable to the company's auditor for services relating to taxation	7	7
Operating lease rentals		
-land and buildings	40	40
-other operating leases	-	-
Release of property development reserve	(27)	(27)
Release of grant	(88)	(91)
	<u></u>	<u></u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

4. STAFF COSTS

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

	2008 £'000	2007 £'000
Wages and salaries	19,646	15,648
Social security costs	2,014	1,665
Other pension costs	99	150
	<u>21,759</u>	<u>17,463</u>

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

	2008 No.	2007 No.
Players and coaching staff	40	41
Scholars	19	16
Administration and commercial staff	58	56
Ground staff	16	16
	<u>133</u>	<u>129</u>

In addition to the above the Club employs a number of part-time staff on match days

5. DIRECTORS REMUNERATIONS

	2008 £'000	2007 £'000
Emoluments	1,108	605
Fees	9	48
	<u>1,117</u>	<u>653</u>
Company pension contributions to money purchase pension	55	64

During the year retirement benefits were accruing to 6 directors (2007 – 5) in respect of money purchase pension schemes.

The highest paid director received remuneration of £605,086 (2007 - £269,058).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £20,000 (2007 - £40,000).

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

6. INTEREST PAYABLE

	2008 £'000	2007 £'000
On bank loans and overdrafts	90	221
On other loans	-	1
	<u>90</u>	<u>222</u>

Interest receivable relates to bank's standard interest on current accounts and money market deposits.

7. EXCEPTIONAL ITEMS

	2008 £'000	2007 £'000
Reversal of past impairment losses on player registrations	-	(3,018)
	<u>-</u>	<u>(3,018)</u>

The reversal of past impairment losses arises as a result of a directors' review of the carrying value of players' registrations.

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

8. TAXATION

	2008 £'000	2007 £'000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax on profits of the period	250	1,406
Adjustments in respect of prior periods	30	-
Total current tax	<u>280</u>	<u>1,406</u>
Deferred tax		
Origination and reversal of timing differences	-	(55)
Roll over relief on profit on sale of player registrations	2,947	78
Trade losses utilised /(carried forward)	-	11
Total deferred tax (see note 15)	<u>2,947</u>	<u>34</u>
Tax on profit/(loss) on ordinary activities	<u>3,227</u>	<u>1,440</u>

Factors affecting tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28%).
The differences are explained below:

	2008 £'000	2007 £'000
Profit/(loss) on ordinary activities before tax	<u>10,749</u>	<u>4,971</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 – 30%)	3,010	1,491
Effects of:		
Expenses not deductible for tax purposes	98	1
Fixed asset timing differences	59	(46)
Player registration timing differences	(2,947)	(78)
Other items	30	38
Adjustments to tax charge in respect of prior periods	30	-
Current tax charge/(credit) for the year	<u>280</u>	<u>1,406</u>

Factors that may affect future tax charges

Certain players registrations which commenced post April 2002 and 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 STATEMENT (CONTINUED)

9. INTANGIBLE FIXED ASSETS

	Player registrations
	£'000
Cost	
At 1 July 2007	21,967
Additions	20,617
Disposals	(11,482)
At 30 June 2008	<u>31,102</u>
Amortisation	
At 1 July 2007	17,075
Charge for period	5,875
Reversal of impairment	(209)
Disposals	(8,733)
	<u>14,008</u>
Net book value	
At 30 June 2008	<u>17,094</u>
At 30 June 2007	<u>4,892</u>

10. TANGIBLE FIXED ASSETS

	Land and building £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 July 2007	23,419	3,688	27,107
Additions	1,108	211	1,319
Disposals	-	-	-
At 30 June 2008	<u>24,527</u>	<u>3,899</u>	<u>28,426</u>
Depreciation			
At 1 July 2007	3,298	2,986	6,284
Charge for year	519	239	758
On disposals	-	-	-
At 30 June 2008	<u>3,817</u>	<u>3,225</u>	<u>7,042</u>
Net book value			
At 30 June 2008	<u>20,710</u>	<u>674</u>	<u>21,384</u>
At 30 June 2007	<u>20,121</u>	<u>703</u>	<u>20,824</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

10. TANGIBLE FIXED ASSETS (continued)

Land and buildings includes £683K (2007:£683K) in respect of long leasehold property.

Cost or valuation of land and buildings at 30 June 2008 is as follows:

	Land and buildings £'000
At cost	18,783
At valuation:	5,744
See below	<u>24,527</u>

The Hawthorns Stadium is valued at depreciated replacement cost and the Tom Silk building is 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 (2007 -£42,498).

If the freehold land and building had not been included at valuation they would have been included under the historical cost convention as follows:

	2008 £'000	2007 £'000
Cost	18,783	17,627
Accumulated depreciation	(2,760)	(2,332)
At 30 June 2008	<u>16,023</u>	<u>15,295</u>

11. STOCKS

	2008 £'000	2007 £'000
Goods for resale	160	301
	<u>160</u>	<u>301</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

12. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	10,975	2,264
Amounts owed by group undertakings	6,439	7,100
Other debtors	1,026	404
Prepayments and accrued income	600	306
	<u>19,040</u>	<u>10,074</u>

13. CREDITORS: Amounts falling due within one year

	2008 £'000	2007 £'000
Bank loans and overdraft	6,985	4,058
Trade creditors	7,545	1,531
Deferred grants	67	67
Amounts owed to group undertakings	9,854	10,182
Corporation tax	1,605	1,406
Social security and other taxes	841	1,223
Other creditors	344	245
Accruals and deferred income	9,233	6,415
	<u>36,474</u>	<u>25,127</u>

The bank loans and overdraft are secured by charges over some of the freehold property of the company and a fixed and floating charge over some of the companies other assets.

14. CREDITORS: Amounts falling due after more than one year

	2008 £'000	2007 £'000
Deferred grants	1,994	2,082
Accruals and deferred income	-	33
	<u>1,994</u>	<u>2,115</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

15. DEFERRED TAXATION

	2008 £'000	2007 £'000
At 1 July 2007	713	679
Provided/(released) during the year	2,947	34
At 30 June 2008	<u>3,660</u>	<u>713</u>

The provision for deferred taxation is made up as follows:

	2008 £'000	2007 £'000
Accelerated capital allowances	635	635
Roll over relief on profit on sale of player registrations	3,025	78
	<u>3,660</u>	<u>713</u>

16. PROVISIONS

	Onerous contract £'000
At 1 July 2007	318
Additions	
Amounts released	(107)
At 30 June 2008	<u>211</u>

The onerous contract provision comprises the value of a present obligation in respect of a contract for which the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received.

17. SHARE CAPITAL

	2008 £	2007 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2008 £	2007 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

18. RESERVES

	Revaluation Reserve £'000	Profit and loss account £'000
At 1 July 2007	4,826	2,998
Profit /(loss) retained for the year	-	7,522
Transfer between Revaluation reserve and Profit and Loss account	(92)	92
At 30 June 2008	<u>4,734</u>	<u>10,612</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £'000	2007 £'000
Opening shareholders' funds	7,826	4,294
Profit/(loss) for the year	7,522	3,532
Closing shareholders' funds	<u>15,348</u>	<u>7,826</u>

20. 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 fulfilment of a specific number of appearances in the future, which amount to £1,426,676 (2007: £160,000). 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.

21. CAPITAL COMMITMENTS

At 30 June 2008 the company had capital commitments of £nil (2007: £nil)

22. OPERATING LEASE COMMITMENTS

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Expiry date:				
Between 2 and 5 years	40	40	-	-

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

23. 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 group accounts are prepared.

24. POST BALANCE SHEET EVENTS

Since 30 June 2008 the Club has acquired players registrations at a total cost of £15.3m(2007 - £12m). Furthermore the Club has sold players registrations for an initial sum of £8.5m (2007:£17.7m).

25. 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 is the intermediate parent company. The ultimate parent company has prepared group financial statements for the period and these are available at The Hawthorns, West Bromwich, West Midlands.