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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2012**



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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J R Peace  
M J Jenkins  
D Ashworth  
R Garlick  
A Wright

**COMPANY NUMBER**

03295063

**REGISTERED OFFICE**

The Hawthorns  
West Bromwich  
West Midlands

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## **WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012**

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The directors present their report and the financial statements for the year ended 30 June 2012

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the operation of a professional football club.

#### **BUSINESS REVIEW**

During the 2011-12 season, West Bromwich Albion competed in the top flight of English Football for the sixth time in ten years. Despite the Club's home record being relatively indifferent, its away form contained several historic victories against Aston Villa, Newcastle and Liverpool and a memorable win away to Wolverhampton Wanderers. These results contributed to the Club once again achieving 47 points but also finishing 10th, its highest ever finish in the Barclays Premier League. At the end of the season Roy Hodgson was appointed as the new Manager of the England National Team by the FA. After an extensive recruitment process the Club appointed Steve Clark as its new Head Coach on 8 June 2012.

#### **Principal risks and uncertainties**

The board is aware of the risks which affect the company. We have analysed our previous seasons in the Barclays Premier League and have tried to implement lessons learned from this and as a consequence we believe that the squad will be stronger and more experienced. This is part of the long term policy of the Club which is to improve the playing squad and infrastructure year on year.

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## WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

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Key Performance Indicators are shown below:

	2012	2011	2010	2009	2008
League	Premier League	Premier League	Football League	Premier League	Football League
Turnover	£66.7m	£65.1m	£28.1m	£47.0m	£27.2m
Operating profit/(loss) before player trading	(£5.7m)	£13.3m	(£2.4m)	(£20.0m)	(£7.3m)
Profit before tax	£0.4m	£18.9m	£0.5m	(£12.4m)	£10.7m
League position					
Premier League	10th	11th	-	20th	-
Football League	-	-	2nd	-	1st
Average attendances	24,850	24,650	22,200	25,800	22,300
Season ticket holders	18,900	18,700	18,100	21,700	16,500

### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £367m (2011 - profit £17,049 thousand)

The directors do not recommend the payment of a dividend

### DIRECTORS

The directors who served during the year were

J R Peace  
M J Jenkins  
D Ashworth  
R Garlick  
A Wright

### COMPANY'S POLICY FOR PAYMENT OF CREDITORS

Whilst the company does not follow any specified code or standard of payment practice the company endeavours 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.

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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2012**

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**PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

**AUDITOR**

Under section 487 of the Companies Act 2006, Clement Keys will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 30 October 2012 and signed on its behalf

**M J Jenkins**  
Director



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## **WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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We have audited the financial statements of West Bromwich Albion Football Club Limited for the year ended 30 June 2012, set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 AUDITOR**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WEST BROMWICH ALBION  
FOOTBALL CLUB LIMITED

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

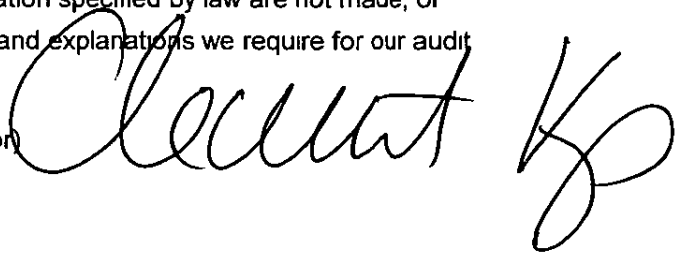
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Gavin Whitehouse FCA (Senior statutory auditor)  
for and on behalf of

**Clement Keys**  
Chartered Accountants  
Statutory Auditors  
39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

30 October 2012



**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Operations excluding player amortisation and trading £000	Player amortisation and trading £000	Total 2012 £000	Total 2011 £000
<b>TURNOVER</b>	2	66,660	-	66,660	65,086
<b>Operating expenses</b>		(61,241)	(11,073)	(72,314)	(60,873)
<b>Inter - group debt waived</b>		-	-	-	7,613
<b>Other exceptional income</b>	8	-	-	-	1,474
<b>OPERATING PROFIT/(LOSS) before profit on disposal of player registrations</b>	3	5,419	(11,073)	(5,654)	13,300
Profit on disposal of player registrations		-	6,013	6,013	5,648
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		5,419	(5,060)	359	18,948
Interest receivable				40	5
Interest payable	7			-	(20)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				399	18,933
<b>Tax on profit/(loss) on ordinary activities</b>	9			(766)	(1,884)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	20			(367)	17,049

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 22 form part of these financial statements



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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2012**

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	<b>2012 £000</b>	<b>2011 £000</b>
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>399</b>	<b>18,934</b>
Realisation of valuation gains of previous periods	<b>92</b>	<b>92</b>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>491</b>	<b>19,026</b>
<b>HISTORICAL (LOSS)/PROFIT FOR THE YEAR AFTER TAXATION</b>	<b>(275)</b>	<b>17,142</b>

The notes on pages 9 to 22 form part of these financial statements

**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**  
**REGISTERED NUMBER: 03295063**

**BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	Note	£000	2012 £000	2011 £000
<b>FIXED ASSETS</b>				
Intangible assets	10		5,472	8,520
Tangible assets	11		22,545	22,200
Investment property	12		424	424
			<u>28,441</u>	<u>31,144</u>
<b>CURRENT ASSETS</b>				
Stocks	13	833		355
Debtors	14	16,855		16,090
Cash in hand		672		172
		<u>18,360</u>		<u>16,617</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(20,276)</u>	<u>(20,381)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,916)</u>	<u>(3,764)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>26,525</u>	<u>27,380</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(1,728)</u>	<u>(1,802)</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	17	(2,120)		(2,534)
Other provisions	18	<u>(211)</u>	<u>(211)</u>	
			<u>(2,331)</u>	<u>(2,745)</u>
<b>NET ASSETS</b>			<u>22,466</u>	<u>22,833</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	19		-	-
Revaluation reserve	20		4,367	4,459
Investment property reserve	20		(218)	(218)
Profit and loss account	20		<u>18,317</u>	<u>18,592</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u>22,466</u>	<u>22,833</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 October 2012

**M J Jenkins**  
Director



The notes on pages 9 to 22 form part of these financial statements

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## WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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#### 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 freehold land and buildings and the investment property 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 FRS 1

##### 1.3 INTANGIBLE FIXED ASSETS AND AMORTISATION

The cost of acquiring players' 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' registration has occurred

##### 1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Freehold land	-	Nil
Freehold property	-	2% straight line
Fixtures, fittings, plant & equipment	-	2% to 25% straight line

##### 1.5 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

##### 1.6 INVESTMENT PROPERTIES

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

The investment property was revalued to open market value as at 30 June 2012 by the directors

##### 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

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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 OPERATING LEASES**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

**1.9 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

**1.10 DEFERRED TAXATION**

Provision is made in full for all taxation deferred in respect of timing differences that have originated and not reversed by the balance sheet date, except for timing differences arising on the revaluations of fixed assets which are not intended to be sold and gains on tangible fixed assets which will be rolled into replacement assets. No provision is made for taxation on permanent differences. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted

**1.11 TURNOVER**

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

**1.12 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

**1.13 PENSIONS**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

**1.14 GRANTS**

Grants in respect of capital expenditure are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned

Grants relating to expenditure arising out of the provisions of the Safety of Sports Grounds Act 1975 are credited to the profit and loss in the same period in which the expenditure is charged

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## WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.15 FINANCIAL INSTRUMENTS

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

##### 1.16 HERITAGE ASSETS

The Club holds a collection of football memorabilia which is not recognised in the Balance Sheet as cost information is not readily available and the directors believe that the benefits of obtaining valuations for these items would not justify the cost. The memorabilia has been built up over many years through existing items from the Club, donations and occasional acquisitions. The Club draws upon the collection for display in the stadium. The directors are of the opinion, that should a valuation for the collection be obtained, that the valuation would not be material in the context of these accounts and is incidental to the main activity of the Club. Consequently further disclosures under Financial Reporting Standard 30 Heritage Assets are not deemed necessary.

#### 2. TURNOVER

An analysis of turnover by class of business is as follows:

	2012 £000	2011 £000
Gate receipts	7,883	7,966
Media related activities	49,872	47,717
UEFA solidarity and prize money	683	-
Commercial income	5,620	5,296
Merchandising	2,602	2,021
Other income	-	2,086
	<u>66,660</u>	<u>65,086</u>

All turnover arose within the United Kingdom.

The company only recognises one segment, being football operations, therefore no further segmental information is provided.

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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**3. OPERATING PROFIT/(LOSS)**

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

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Amortisation of player registrations	<b>11,073</b>	<b>7,613</b>
Depreciation of tangible fixed assets		
- owned by the company	<b>863</b>	<b>848</b>
Operating lease rentals		
- land and buildings	<b>98</b>	<b>72</b>
Difference on foreign exchange	<b>469</b>	<b>(458)</b>
Release of property development reserve	<b>(27)</b>	<b>(27)</b>
Release of grants	<b>(67)</b>	<b>(67)</b>
Impairment/(reversal of impairment) of player registrations	<b>-</b>	<b>(1,474)</b>
Profit on sale of tangible fixed assets	<b>(1)</b>	<b>-</b>
	<b>=====</b>	<b>=====</b>

**4. AUDITORS' REMUNERATION**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor for the audit of the company's financial statements	<b>16</b>	<b>16</b>
	<b>=====</b>	<b>=====</b>

Fees payable to the company's auditor for services other than the statutory audit of the company's financial statements are not disclosed in these financial statements as the group financial statements of the company's parent company, West Bromwich Albion Group Limited, are required to disclose non-audit fees on a consolidated basis

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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>44,854</b>	39,333
Social security costs	<b>5,351</b>	4,892
Other pension costs	<b>288</b>	136
	<b>50,493</b>	<b>44,361</b>

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

	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No</b>
Players and coaching staff	<b>47</b>	44
Scholars	<b>19</b>	20
Administration and commercial staff	<b>56</b>	55
Ground staff	<b>17</b>	16
	<b>139</b>	<b>135</b>

In addition to the above staff the company employ a number of part-time staff on match days

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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**6. DIRECTORS' REMUNERATION**

	<b>2012 £000</b>	<b>2011 £000</b>
Emoluments	<b>2,201</b>	<b>1,828</b>
Company pension contributions to defined contribution pension schemes	<b>69</b>	<b>60</b>

During the year retirement benefits were accruing to 5 directors (2011 - 5) in respect of defined contribution pension schemes

The highest paid director received remuneration of £1,113 thousand (2011 - £1,013 thousand)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20 thousand (2011 - £20 thousand)

**7. INTEREST PAYABLE**

	<b>2012 £000</b>	<b>2011 £000</b>
On bank overdraft	<b>-</b>	<b>20</b>

**8. EXCEPTIONAL ITEMS BEFORE OPERATING PROFIT**

	<b>2012 £000</b>	<b>2011 £000</b>
Reversal of past impairment losses on player registrations	<b>-</b>	<b>(1,474)</b>
Intercompany debt waived with West Bromwich Albion Heritage Limited	<b>-</b>	<b>(7,613)</b>
	<b>-</b>	<b>(9,087)</b>

The reversal of past impairment losses arises as a result of the sale of players' registrations

The intercompany debt was waived with the non trading company West Bromwich Albion Heritage as part of the group reorganisation



**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**9. TAXATION**

	2012 £000	2011 £000
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	1,000	721
Adjustments in respect of prior periods	180	-
<b>TOTAL CURRENT TAX</b>	<u>1,180</u>	<u>721</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	495	62
Effect of decreased tax rate on opening liability	-	(97)
Trade losses carried forward	-	373
Roll over relief on profit on sale of player registrations in year	240	825
Prior year adjustments	(1,149)	-
<b>TOTAL DEFERRED TAX</b> (see note 17)	<u>(414)</u>	<u>1,163</u>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>766</u>	<u>1,884</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 25.5% (2011 - 27.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	<u>399</u>	<u>18,934</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011 - 27.5%)	102	5,207
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	34	65
Capital allowances for year in excess of depreciation	110	100
Player registration timing differences	460	(465)
Adjustments to tax charge in respect of prior periods	180	-
Other timing differences leading to an increase (decrease) in taxation	211	-
Non-taxable intercompany debt waiver	-	(2,094)
Relief on tax losses brought forward	-	(2,092)
Other items	83	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>1,180</u>	<u>721</u>

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WEST BROMWICH ALBION FOOTBALL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

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9. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Certain players' registrations 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

10. INTANGIBLE FIXED ASSETS

	Player registrations £000
<b>COST</b>	
At 1 July 2011	33,956
Additions	10,221
Disposals	(13,574)
At 30 June 2012	30,603
<b>AMORTISATION</b>	
At 1 July 2011	25,436
Charge for the year	11,073
On disposals	(11,378)
At 30 June 2012	25,131
<b>NET BOOK VALUE</b>	
At 30 June 2012	5,472
At 30 June 2011	8,520

**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**11. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £000	Fixtures, fittings, plant & equipment £000	Total £000
<b>COST OR VALUATION</b>			
At 1 July 2011	26,996	4,272	31,268
Additions	1,068	140	1,208
Disposals	-	(8)	(8)
At 30 June 2012	<u>28,064</u>	<u>4,404</u>	<u>32,468</u>
<b>DEPRECIATION</b>			
At 1 July 2011	5,471	3,597	9,068
Charge for the year	569	294	863
On disposals	-	(8)	(8)
At 30 June 2012	<u>6,040</u>	<u>3,883</u>	<u>9,923</u>
<b>NET BOOK VALUE</b>			
At 30 June 2012	<u>22,024</u>	<u>521</u>	<u>22,545</u>
At 30 June 2011	<u>21,525</u>	<u>675</u>	<u>22,200</u>

Included in land and buildings is freehold land at valuation of £2,039,125 (2011- £2,039,125), cost £806,407 (2011- £806,407) which is not depreciated

The Hawthorns Stadium was valued at depreciated replacement cost and the Tom Silk building was 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

Cost or valuation at 30 June 2012 is as follows

	Land and buildings £000
<b>AT COST</b>	<b>22,319</b>
<b>AT VALUATION:</b>	
1996 -see above	<u>5,745</u>
	<u><u>28,064</u></u>

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**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. TANGIBLE FIXED ASSETS (continued)**

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

	2012 £000	2011 £000
Cost	22,319	21,251
Accumulated depreciation	(4,952)	(4,383)
Net book value	<u>17,367</u>	<u>16,868</u>

**12. INVESTMENT PROPERTY**

	Long term leasehold investment property £000
<b>VALUATION</b>	
At 1 July 2011 and 30 June 2012	<u>424</u>
<b>COMPRISING</b>	
Cost	642
Annual revaluation surplus/(deficit) 2012	<u>(218)</u>
At 30 June 2012	<u>424</u>

The 2012 valuations were made by the Directors, on an open market value for existing use basis

**13. STOCKS**

	2012 £000	2011 £000
Goods for resale	<u>833</u>	<u>355</u>

**14. DEBTORS**

	2012 £000	2011 £000
Trade debtors	1,584	3,774
Amounts owed by group undertakings	8,221	7,930
Other debtors	6,226	3,703
Prepayments and accrued income	824	683
	<u>16,855</u>	<u>16,090</u>

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**14. DEBTORS (continued)**

**15. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £000	2011 £000
Bank overdraft	1,139	2,419
Trade creditors	1,635	2,841
Deferred grants	67	67
Amounts owed to group undertakings	2,132	2,159
Corporation tax	1,000	721
Social security and other taxes	1,757	2,048
Other creditors	167	259
Accruals and deferred income	12,379	9,867
	<u>20,276</u>	<u>20,381</u>

The bank overdraft is secured by charges over some of the freehold property of the company and a fixed and floating charge over some of the company's other assets

**16. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2012 £000	2011 £000
Deferred grants	1,728	1,794
Other creditors	-	8
	<u>1,728</u>	<u>1,802</u>

**17. DEFERRED TAXATION**

	2012 £000	2011 £000
At beginning of year	2,534	1,371
(Released during)/charge for year	(414)	1,163
	<u>2,120</u>	<u>2,534</u>

**WEST BROMWICH ALBION FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. DEFERRED TAXATION (continued)**

The provision for deferred taxation is made up as follows

	2012 £000	2011 £000
Accelerated capital allowances	44	62
Roll over relief on profit on sale of players registrations	2,076	2,472
	<u>2,120</u>	<u>2,534</u>

**18. PROVISIONS**

	Onerous contract £000
At 1 July 2011 and 30 June 2012	<u>211</u>

**ONEROUS CONTRACT**

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

**19. SHARE CAPITAL**

	2012 £	2011 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**20. RESERVES**

	Revaluation reserve £000	Investment property revaluation reserve £000	Profit and loss account £000
At 1 July 2011	4,459	(218)	18,592
Loss for the year			(367)
Transfer between Revaluation reserve and P/L account	(92)		92
At 30 June 2012	<u>4,367</u>	<u>(218)</u>	<u>18,317</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Opening shareholders' funds	22,833	5,783
(Loss)/profit for the year	(367)	17,050
	<hr/>	<hr/>
Closing shareholders' funds	<b>22,466</b>	<b>22,833</b>
	<hr/>	<hr/>

**22. 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 fulfillment of a specific number of appearances in the future, which amount to £0.60m (2011: £0.25m). 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.

**23. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £287,791 (2011: £135,885). Contributions totalling £12,682 (2011: £61,566) were payable to the fund at the balance sheet date and are included in creditors.

**24. OPERATING LEASE COMMITMENTS**

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
<b>EXPIRY DATE:</b>		
Between 2 and 5 years	82	22
After more than 5 years	75	75
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**25. 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 all subsidiaries within the group which have entered into related party transactions with each other are wholly owned subsidiaries of the parent of the group.

**26. POST BALANCE SHEET EVENTS**

Since 30 June 2012 the Club has purchased and sold players registrations at a total initial cost of £Nil (2011 £5.2m) and for proceeds of £1.35m (2011 £8.2m).

As at 30 June 2012 the Club's future minimum liability on first team wages over the remainder of their contracts, excluding any option years was £34.2m.

As at 1 September, taking into account the purchase, sale and season long loans of player registrations since 30 June 2012, together with any contract extensions, the Club's future liability on the team player wages had increased by a further £11m to £45.2m.

**27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's ultimate parent company is West Bromwich Albion Group Limited, a company registered in England and Wales, for which Group financial statements for the period were prepared and are available at 44 Southampton Buildings, London, WC2A 1AP. The ultimate controlling party of West Bromwich Albion Group Limited is J R Peace, a director of the company.