Company Registration No. 2487393

Deloitte & Touche

W. W. (1990) LIMITED

Report and Financial Statements

31 May 1999

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COMPANIES HOUSE 26/05/00

Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
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Deloitte & Touche

REPORT AND FINANCIAL STATEMENTS 1999

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Deloitte & Touche

REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir Jack Hayward OBE (Chairman)
D J Harrington CBE (Deputy Chairman)
R A Hayward
J G Hemingway
V C M Lister
J P Richards

SECRETARY

R I Skirrow

REGISTERED OFFICE

Molineux Stadium
Waterloo Road
Wolverhampton
WV1 4QR

AUDITORS

Deloitte & Touche
Chartered Accountants
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 1999.

ACTIVITIES

The principal activity of the group during the year was the provision of football and other related activities

REVIEW OF DEVELOPMENTS

During the year the company maintained an interest in the share capital of Wolverhampton Wanderers Properties Limited, Wolverhampton Wanderers FC (1986) Limited and Wolvesnet Limited. The primary aim of the group remains that of achieving Premiership status.

RESULTS AND DIVIDENDS

The directors do not recommend the payment of a dividend. The loss of the group for the year after taxation of £4,179,279 (1998 - £2,703,383) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial and family interests in the shares of the company were:

	Ordinary shares of £1 each	
	1999 or date of appointment	1998 or date of appointment
Sir Jack Hayward OBE	-	-
D J Harrington CBE	-	-
R A Hayward	-	-
J G Hemingway	-	-
V C M Lister	-	-
J P Richards	-	-

EMPLOYEE INVOLVEMENT

The group has established structures and procedures for consultation, communication and negotiation with its employees. Importance is placed on this aspect of the business and all managers have a responsibility to this end.

EMPLOYMENT OF DISABLED PERSONS

Suitable procedures are in operation to support the group's policy that disabled persons (whether registered or not) shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with the issue cannot be quantified but are not expected to be significant.

DIRECTORS' REPORT

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

R I Skirrow

Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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AUDITORS' REPORT TO THE MEMBERS OF

W. W. (1990) LIMITED

We have audited the financial statements on pages 6 to 22 which have been prepared under the accounting policies set out on pages 13 and 14.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 May 1999 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Chartered Accountants and Registered Auditors
23 May 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 May 1999

	Note	1999 £	1998 (As restated) £
TURNOVER	1	11,399,915	12,923,362
Operating expenses		(14,682,897)	(14,963,135)
OPERATING LOSS BEFORE AMORTISATION OF PLAYERS	5	(3,282,982)	(2,039,773)
Amortisation of players		(3,212,691)	(3,061,627)
OPERATING LOSS		(6,495,673)	(5,101,400)
Profit on disposal of players		2,077,411	2,395,583
LOSS BEFORE INTEREST AND TAXATION		(4,418,262)	(2,705,817)
Interest receivable and other income	6	257,587	152,682
Interest payable	7	(18,604)	(150,248)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,179,279)	(2,703,383)
Tax on loss on ordinary activities	8	-	-
RETAINED LOSS FOR THE YEAR		(4,179,279)	(2,703,383)
Profit and loss account brought forward		(25,536,947)	(22,944,557)
Transferred from revaluation reserve		110,993	110,993
Profit and loss account carried forward		(29,605,233)	(25,536,947)

All activities derive from continuing operations.

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis. Accordingly, a note of historical cost profits and losses is not given.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 May 1999

	1999 £	1998 (As restated) £
Loss for the year attributable to shareholders	(4,179,279)	(2,703,383)

Note of prior year adjustment:

Total recognised gains and losses relating to the year (as above)	(4,179,279)
Prior year adjustment (note 2)	5,082,266
Total gains and losses since the last annual report	902,987

CONSOLIDATED BALANCE SHEET
31 May 1999

	Note	1999 £	1998 (As restated) £
FIXED ASSETS			
Intangible assets	9	2,376,523	5,290,437
Tangible assets	10	23,394,676	23,950,299
Investments	11	4,188	2,300
		25,775,387	29,243,036
CURRENT ASSETS			
Stocks	12	367,067	469,750
Debtors	13	1,984,640	1,541,131
Cash at bank and in hand		232,424	511,320
		2,584,131	2,522,201
CREDITORS: amounts falling due within one year	14	(36,925,130)	(37,964,590)
NET CURRENT LIABILITIES		(36,340,999)	(35,442,389)
TOTAL ASSETS LESS CURRENT LIABILITIES		(10,565,612)	(6,199,353)
CREDITORS: amounts falling due after more than one year	15	(2,144,838)	(2,233,022)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(109,375)	(208,171)
		(12,819,825)	(8,640,546)
CAPITAL AND DEFICIENCY			
Called up share capital	18	10,000,000	10,000,000
Revaluation reserve	19	6,785,408	6,896,401
Profit and loss account	19	(29,605,233)	(25,536,947)
EQUITY SHAREHOLDERS' DEFICIT	20	(12,819,825)	(8,640,546)

These financial statements were approved by the Board of Directors on 18th May 2000

Signed on behalf of the Board of Directors

Sir Jack Hayward

Director

COMPANY BALANCE SHEET
31 May 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Investments	11	14,659,999	14,659,999
CURRENT ASSETS			
Debtors	13	270	270
CREDITORS: amounts falling due within one year	14	(34,963,208)	(34,617,208)
NET CURRENT LIABILITIES		(34,962,938)	(34,616,938)
TOTAL ASSETS LESS CURRENT LIABILITIES		(20,302,939)	(19,956,939)
CAPITAL AND DEFICIENCY			
Called up share capital	18	10,000,000	10,000,000
Profit and loss account	19	(30,302,939)	(29,956,939)
EQUITY SHAREHOLDERS' DEFICIT		(20,302,939)	(19,956,939)

These financial statements were approved by the Board of Directors on 18th May 2000

Signed on behalf of the Board of Directors

Sir Jack Hayward

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 1999

	Note	1999 £	1998 (As restated) £
Cash flow from operating activities	(i)	(820,883)	7,217,154
Returns on investments and servicing of finance	(ii)	238,983	2,434
Capital expenditure and financial investment	(ii)	334,541	48,576
Cash (outflow)/inflow before use of liquid resources and financing		(247,359)	7,268,164
Financing	(ii)	(31,537)	(38,730)
(Decrease)/ increase in cash in the year		(278,896)	7,229,434

Reconciliation of net cash flow to movement in net (debt)/funds	(iii)	1999 £	1998 £
(Decrease)/increase in cash in the year		(278,896)	7,229,434
Cash inflow from increase in debt and lease financing		31,537	38,730
Change in net debt resulting from cash flows		(247,359)	7,268,164
New finance leases		-	(22,582)
Movement in net debt in the year		(247,359)	7,245,582
Net funds/(debt) at 1 June		387,368	(6,858,214)
Net funds at 31 May		140,009	387,368

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 1999

(i) RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES AFTER TRANSFER FEES

	1999	1998
		(As restated)
	£	£
Operating loss	(6,495,673)	(5,101,400)
Depreciation	817,177	792,113
Amortisation of players	3,212,691	3,061,627
Loss on sale of tangible fixed assets	(7,912)	29,395
Amortisation of deferred grant income	(56,555)	(56,555)
Decrease/(increase) in stocks	102,683	(18,379)
Decrease/(increase) in debtors	353,277	(764,210)
Increase in loans due from ultimate parent company	350,000	10,300,000
Increase/(decrease) in creditors	1,002,225	(795,252)
Decrease in provision	(98,796)	(230,185)
Net cash (outflow)/inflow from operating activities	(820,883)	7,217,154

(ii) ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1999	1998
		(As restated)
	£	£
Returns on investments and servicing of finance		
Interest receivable and other similar income	257,587	152,682
Interest paid	-	(129,418)
Interest element of finance lease rental payments	(18,604)	(20,830)
Net cash inflow for returns on investments and servicing of finance	238,983	2,434
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(279,144)	(323,090)
Receipts from sale of tangible fixed assets	25,502	176,873
Payments to acquire intangible fixed assets	(1,949,431)	(3,202,379)
Receipts from sales of intangible fixed assets	2,539,502	3,398,422
Purchase of fixed asset investment	(1,888)	(1,250)
Net cash inflow for capital expenditure and Financial investment	334,541	48,576
Net cash outflow from financing		
Capital element of finance lease rental payments	(31,537)	(38,730)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 May 1999

(iii) ANALYSIS OF NET FUNDS

	At 1 June 1998 £	Cash flow £	At 31 May 1999 £
Cash in hand and at bank	511,320	(278,896)	232,424
Finance leases	(123,952)	31,537	(92,415)
	387,368	(247,359)	140,009

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of the stadium redevelopment.

The 1998 results have been restated to reflect the adoption of Financial Reporting Standard 10 (Accounting for goodwill and intangible assets); additional information is given in note 2.

Basis of consolidation

The group accounts incorporate the accounts of the company and its subsidiaries. The companies make up their accounts to the same date.

Turnover

Turnover represents match receipts and other income associated with the principal activity of running a professional football club and excludes value added tax (all income generated in the UK).

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Stadium redevelopment	2% on a straight line basis
Plant and equipment	10% on a straight line basis
Motor vehicles	20% on a straight line basis
Fixtures and fittings	12.5% on a straight line basis

Intangible fixed assets and goodwill

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts in accordance with Financial Reporting Standard 10 (accounting for goodwill and intangible assets).

Goodwill amounting to £1,659,999 relating to prior periods was historically written off against the profit and loss reserve as a matter of accounting policy and remains eliminated against that reserve. This amount will be charged or credited in the profit and loss account on the subsequent disposal of the associated business. Any future goodwill, will be capitalised in the balance sheet and amortised over its useful life as required by FRS 10.

Contingent appearance fees

Where the directors consider the likelihood of a player meeting future appearance criteria laid down in the transfer agreement of that player to be probable, provision for this cost is made (see note 16). If the likelihood of meeting these criteria is not probable no provision is made (see note 22).

Signing-on fees

Signing-on fees payable to players are charged, as part of operating expenses, to the profit and loss account over the period of the player's contract.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred taxation is provided on the liability methods in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Deferred grant income

Grants received in respect of safety work and ground improvements are credited to deferred grant income and are released to the profit and loss account over the anticipated useful life of the assets to which they relate.

Pensions

Defined contribution arrangements are made to eligible employees of the company. The pension cost charged in the year represents contributions payable by the company.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

2. PRIOR YEAR ADJUSTMENT

Following the issue of Financial Reporting Standard 10 (Accounting for goodwill and intangible assets), the company has changed its accounting policy for the cost of players' registrations.

Under the new policy the company capitalises as an intangible asset the element of a player's transfer fee which relates to his registration together with associated costs and amortises that element over the period of his contract including any subsequent agreed extensions. FRS10 makes no provision for the value of the players developed within the company.

The effect of this change in accounting policy upon the profit and loss reserves of the company is given below:

	£
As previously stated at 31 May 1998	(30,619,213)
Prior year adjustment:	
Intangible assets	5,290,437
Provision	(208,171)
As restated	(25,536,947)

Previously fees payable to and receivable from other football clubs on the transfer of players' registration, together with associated costs, were accounted for in the profit and loss account as net transfer fees payable/receivable in the period in which the transfer took place. The amortisation of players' registration is disclosed separately in the profit and loss account.

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

2. PRIOR YEAR ADJUSTMENT (continued)

The effect on the loss before taxation is shown below:

		£
As previously stated at 31 May 1998		(1,817,731)
Add:	Purchased players' registration costs now capitalised	3,214,689
Less:	Amortisation of players' registration costs	(3,061,627)
	Net book value of players sold	(1,038,714)
As restated		(2,703,383)

In the year ended 31 May 1998, the effect of the change in accounting policy has been to increase the loss before and after taxation by £885,652.

In the year ended 31 May 1999, the effect of the change in accounting policy has been to increase the loss before taxation by £2,815,116.

3. CONSOLIDATED FINANCIAL STATEMENTS

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss (see note 19) for the financial year amounted to £346,000 (1998 - £29,593,905).

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1999 £	1998 £
Directors' emoluments		
Directors' remuneration	125,493	53,121
Other pension costs	13,200	6,600
	No	**No**
Average number of persons employed		
Administration staff	149	154
Playing staff	52	50
	201	204
	£	**£**
Staff costs during the year (including directors)		
Wages and salaries	7,257,949	7,255,711
Social security costs	639,452	641,702
Pension costs	30,125	24,573
	7,927,526	7,921,986

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

5. OPERATING LOSS

Operating loss is stated after charging/(crediting):	**1999** **£**	**1998** **£**
Auditors' remuneration		
Audit fees	26,000	25,500
Non-audit fees	1,325	61,421
Operating leases		
Hire of plant and machinery	25,654	25,609
Hire of assets other than plant and machinery	107,373	94,393
(Profit)/loss on sale of tangible fixed assets	(7,912)	29,395
Depreciation of tangible fixed assets	817,177	792,113
Amortisation of grant income	(56,557)	(56,557)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 **£**	**1998** **£**
Rental income	100,000	100,000
Bank interest	133,210	52,628
Interest from other football clubs	24,377	-
	257,587	152,628

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 **£**	**1998** **£**
On bank loans and overdrafts repayable within five years	-	129,418
On finance leases	18,604	20,830
	18,604	150,248

8. TAX ON LOSS ON ORDINARY ACTIVITIES

The group has no liability for taxation. The tax losses carried forward, subject to the agreement of the tax authorities, amount to £28 million (1998 - £28 million).

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

9. INTANGIBLE FIXED ASSETS

The Group	£
Cost	
At 1 June 1998	11,887,318
Additions	1,593,427
Disposals	(5,885,760)
At 31 May 1999	7,594,985
Amortisation	
At 1 June 1998	6,596,881
Charge for the year	3,212,691
Disposals	(4,591,110)
At 31 May 1999	5,218,462
Net book value	
At 31 May 1999	2,376,523
At 31 May 1998	5,290,437

10. TANGIBLE FIXED ASSETS

The Group	Stadium development £	Plant equipment and motor vehicles £	Fixtures And Fittings £	Total £
Cost or valuation				
At 1 June 1998	22,954,402	1,188,538	1,725,725	25,868,665
Additions	32,987	119,043	127,114	279,144
Disposals	-	(45,965)	(9,757)	(55,722)
At 31 May 1999	22,987,389	1,261,616	1,843,082	26,092,087
Accumulated depreciation				
At 1 June 1998	458,629	525,394	934,343	1,918,366
Charge for the year	459,641	134,246	223,290	817,177
Disposals	-	(31,463)	(6,669)	(38,132)
At 31 May 1999	918,270	628,177	1,150,964	2,697,411
Net book value				
At 31 May 1999	22,069,119	633,439	692,118	23,394,676
At 31 May 1998	22,495,773	663,144	791,382	23,950,299

The net book value of fixed assets included £125,093 (1998 - £114,899) in respect of assets held under finance leases and hire purchase contracts.

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

10. TANGIBLE FIXED ASSETS (CONTINUED)

The stadium development was valued at £22.9 million, on a depreciated replacement cost basis, by Dunlop Heywood & Co., Chartered Surveyors at 31 May 1997, and this value has been incorporated in these accounts, and the directors believe that the carrying value reflects the current valuation as at 31 May 1999. At 31 May 1999 the comparable amount determined according to the historical cost convention is £15,283,711 (Cost of £17,439,719 less accumulated depreciation of £2,156,008).

All other tangible fixed assets are stated at historical cost.

11. INVESTMENTS HELD AS FIXED ASSETS

(a) The Group

	£
Cost and net book value	
At 1 June 1998	2,300
Additions	1,888
At 31 May 1999	4,188

Wolverhampton Wanderers FC (1986) Limited owns a 1.1% (1998 – 1%) share in 'The Wolf', a radio station that broadcasts in the Wolverhampton area.

(b) The Company

	Shares in subsidiaries £
Cost and net book value	
At 1 June 1998 and 31 May 1999	14,659,999

The company wholly owns the following subsidiaries, all of which are incorporated in England.

Subsidiary undertakings	Activity
Wolverhampton Wanderers F.C. (1986) Limited	Football Club
Wolverhampton Wanderers Properties Limited	Property company
Wolvesnet Limited	Internet services

12. STOCKS

	Group		Company	
	1999 £	1998 £	1999 £	1998 £
Finished goods	367,067	469,750	-	-

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

13. DEBTORS

	Group 1999 £	Group 1998 £	Company 1999 £	Company 1998 £
Trade debtors	466,305	189,648	-	-
Other debtors	1,110,907	783,133	270	270
Prepayments and accrued income	407,428	568,350	-	-
	1,984,640	1,541,131	270	270

By an agreement dated 24 September 1991, the company has agreed to make a loan facility available to its subsidiary undertaking, Wolverhampton Wanderers F.C. (1986) Limited. The amount drawn down on that at 31 May 1999 was £24,199,302 (1998 - £23,850,802). By a further agreement dated 24 February 1992, the company has agreed to make available a loan facility up to a maximum of £11,000,000 to its subsidiary undertaking, Wolverhampton Wanderers Properties Limited. The amount drawn down on that at 31 May 1999 was £5,737,603 (1998 - £5,737,603). Both loans are unsecured and repayable on thirty days notice. They are currently interest free but the company has the right, at thirty days notice, to charge interest at a rate not exceeding 0.5% above the prevailing London inter-bank market rate of interest. The loans have been fully provided against at the year-end in the company's accounts.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 1999 £	Group 1998 £	Company 1999 £	Company 1998 £
Obligations under finance leases (note 17)	33,805	33,714	-	-
Trade creditors	1,111,017	711,014	-	-
Amounts owed to ultimate parent undertakings	35,106,957	34,756,957	34,961,553	34,611,553
Other taxation and social security	390,679	183,665	-	-
Other creditors	1,080,490	1,152,360	-	-
Accruals and deferred income	1,145,626	1,070,324	1,655	5,655
Deferred grant income	56,556	56,556	-	-
	38,925,130	37,964,590	34,963,208	34,617,208

The loan from the parent undertaking is unsecured and repayable on thirty days notice although the directors of the parent undertaking have indicated that, for the foreseeable future, it will not discontinue financial support. It is currently interest free but the company has a right, at thirty days notice, to charge interest at a rate not exceeding 0.5% above the prevailing London inter-bank market rate of interest.

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Deferred grant income	2,086,228	2,142,784	-	-
Obligations under finance leases between two and five years (note 17)	58,610	90,238	-	-
	2,144,838	2,233,022	-	-

16. PROVISIONS FOR LIABILITIES AND CHARGES

	1999	1998 As restated
Contingent appearance fees (see note 1)	£	£
Balance at 1 June 1998	208,171	440,949
Transferred to profit on disposal of players	(98,796)	-
Transferred to trade creditors	-	(232,778)
Balance at 31 May 1999	109,375	208,171

17. BORROWINGS

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Obligations under finance leases:				
Due within one year	33,805	33,714	-	-
Due within one to two years	33,159	32,438	-	-
Due within two to five years	25,451	57,800	-	-
	92,415	123,952	-	-

18. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised, called up, allotted and fully paid 10,000,000 Ordinary shares of £1 each	10,000,000	10,000,000

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

19. RESERVES

	Group Revaluation reserve £	Group Profit and loss account £	Company Profit and loss account £
At 1 June 1998	6,896,401	(30,619,213)	(29,956,939)
Prior year adjustment (note 2)	-	5,082,266	-
As restated	6,896,401	(25,536,947)	(29,956,939)
Retained loss for the year	-	(4,179,279)	(346,000)
Transfer between reserves	(110,993)	110,993	-
At 31 May 1999	6,785,408	(29,605,233)	(30,302,939)

The cumulative amount of goodwill on acquisition written off to reserves is £1,659,996.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIENCY

	1999 £	1998 £
Opening shareholders' funds:		
As previously stated	(13,722,812)	(11,905,081)
Prior period adjustment	5,082,266	5,967,918
As restated	(8,640,546)	(5,937,163)
Loss for the financial year	(4,179,279)	(2,703,383)
Closing shareholders' funds	(12,819,825)	(8,640,546)

21. FINANCIAL COMMITMENTS

	Group 1999 £	Group 1998 £	Company 1999 £	Company 1998 £
Capital commitments				
Contracted for but not provided	-	-	-	-

Operating lease commitments

At 31 May 1999, the group and company had annual commitments under non-cancellable other operating leases as set out below:

	Group 1999 £	Group 1998 £
Leases which expire:		
Within two to five years	72,912	133,027

NOTES TO THE ACCOUNTS
Year ended 31 May 1999

22. CONTINGENT LIABILITIES

The group had the following commitments at the balance sheet date.

(i) Contingent appearance fees of £450,450 (1998 - £183,032).

(ii) The company has committed to stock being taken from suppliers to the value of £109,014 at the year-end.

(iii) In each of about June 1995, August 1995 and March 1997 the books of account of the company were drawn up to reflect payments of £37,400, £100,000 and £100,000 respectively made to or on behalf of the company from Wolverhampton Wanderers Properties Limited in partial repayment of inter-company indebtedness owed by Wolverhampton Wanderers Properties Limited to the company. Simultaneously, the books of account were further drawn up to reflect payments of identical amounts made by the company to or on behalf of Wend Investments Limited in repayment of inter-company indebtedness owed by the company to Wend Investments Limited. The aggregate sum of £237,400 ultimately was received by a former director of the company. The company has been advised that each of the purported payments and/or book entries was made without the authority of either the company or Wolverhampton Wanderers Properties Limited and did not amount to valid repayments of inter-company indebtedness either to or by the company and that, accordingly, Wolverhampton Wanderers Properties Limited may still be liable to the company for the repayment of the sum of £237,400 and the company may in turn remain liable to Wend Investments Limited for the sum of £237,400. During the year proceedings were commenced in the Chancery Division of the High Court by Wolverhampton Wanderers Properties Limited, Wolverhampton Wanderers Football Club (1986) Limited and the company against two former directors of each of those companies and against their former legal advisers seeking recovery of the sums paid away to the former director and also claiming damages for breach of contract and/or negligence against their legal advisers. The company has been advised that, whatever the outcome of the proceedings, the effect on the balance sheet of the company will be neutral. Costs of progressing the action have been charged to the profit and loss account as incurred.

(iv) Mr J N Stones, a former director of the company, is a partner in the firm Wiggin & Co, solicitors. In the year ended 31 May 1998 Wiggin & Co rendered an invoice to the company in the sum of £58,162. The full amount of this invoice remains unpaid. Both the company's liability to make any payment to Wiggin & Co under this invoice and the level of Wiggin & Co's charges are disputed. For prudence, full provision was made in the accounts for the relevant year.

23. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Wend Investments Limited, a company incorporated in the Bahamas.

24. POST BALANCE SHEET EVENTS

Since the year end, the group have been involved in transfer activity resulting in sale proceeds of £6,123,000 and a profit of £6,104,000. In addition the group have acquired players with a value of £5,447,000 since the balance sheet date.