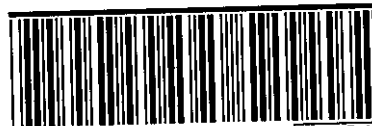


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West Bromwich Albion Plc

Company Number 34292



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COMPANIES HOUSE 12/05/99

Interim Report

for the 6 months ended
31st December 1998

Chairman's Statement

Results for the six months ended 31st December, 1998

It is disappointing to have to report losses for the six months under review where turnover decreased by 7.4 per cent in comparison with the equivalent six months of 1997. The loss of £882,000, was principally due to the write-off of players' contracts which amounted to £822,000 of this overall figure.

A number of factors contributed to the loss, including the general depression in the retail sector nationally. In addition, the televising of three successive home games during the autumn deflated not only the attendances, but also reduced the amount of money supporters spent in the club shop on those occasions. Gate receipts for the period were down, largely due to television, but also partly due, no doubt, to the inconsistent form of the team.

This disappointing form also led to our early exit from the Worthington Cup, a competition from which the club derived considerable income last season.

Your Board is determined to rectify the position. All overheads are being scrutinised, with specific attention being paid to the increasing cost of players. At the same time we have expanded our Youth Department in order to develop home grown talent.

Also, the Commercial and Marketing departments of the company have been expanded with a view to increasing income at the same time as we attempt to reduce expenditure.

Dividends

The Directors do not intend to pay an interim dividend.

Status

The Company has been quoted on the Alternative Investment Market since 3rd January, 1997.

Business Review

The team has made steady progress under team manager Denis Smith, but a lack of consistency has meant that promotion to the lucrative Premier League remains a possibility rather than a probability for the immediate future.

Perhaps the most encouraging feature has been the emergence of a number of very promising under-18 players at the club.

Adam Oliver became the first Albion youth player in years to gain an England Youth international cap, whilst the Chambers twins (Adam and James) and Justin Richards have all been on international 'standby' this season. Enzo Maresca has captained Italy under-18s on a regular basis.

We are looking to the continued development of such young talent, together with a group of very able players in their early twenties already in the first team, to advance the club over the next few seasons.

Directors

Mr. Paul Thompson resigned as a Director on 2nd February 1999. Mr. Don Colston was appointed as a Director on 23rd March 1999.

Future Prospects

Despite the disappointment of certain aspects of these current figures, there is little doubt that football as an industry still has a bright future. We believe that our club will be part of that future. We hope to finalise arrangements for a much-needed new training ground within the next few months, and this investment should be seen as indicative of our intentions for the future.

A. B. Hale

Chairman

13th April, 1999

Group Profit and Loss Account

	6 months ended 31st Dec 1998 £000	6 months ended 31st Dec 1997 as restated (see note 4) £000	12 months ended 30th June 1998 as restated (see note 4) £000
Turnover	<u>3,938</u>	<u>4,231</u>	<u>7,460</u>
Operating (loss)/profit before write off of players' contracts and profit on disposal of players' contracts	(144)	688	880
Profit on disposal of players' contracts	125	706	1,212
Write-off of players' contracts	<u>(822)</u>	<u>(681)</u>	<u>(1,542)</u>
Operating (loss)/profit	(841)	713	550
Interest	<u>(41)</u>	<u>(5)</u>	<u>(41)</u>
(Loss)/profit before taxation	(882)	708	509
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit after taxation	(882)	708	509
Dividend	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit for the financial period	<u>(882)</u>	<u>708</u>	<u>509</u>
(Loss)/earnings per share	<u>£(10.09)</u>	<u>£9.62</u>	<u>£7.20</u>

Notes to the Interim Report

- (1) The interim results to 31st December 1998, which are unaudited, have been prepared in accordance with the accounting policies adopted in the statutory accounts for the year to 30th June 1998 except as shown in note 4 below.
- (2) The financial information set out in the Interim Report does not constitute annual or group accounts within the meanings of Sections 226 and 227 of the Companies Act 1985. The results for the 12 months to 30th June 1998 are restated extracts from the 1998 published accounts which were audited and reported upon without qualification and have been delivered to the Registrar of Companies. These extracted figures have been restated as the result of the change in Accounting Policy as described in note 4.
- (3) Earnings per share are calculated by dividing the loss after taxation of £882,000 (Dec 1997 profit £708,000, June 1998 profit £509,000) by 87,447 shares in issue (Dec 1997 73,590, June 1998 70,725).
- (4) Financial Reporting Standard No. 10: Goodwill and intangible assets, published by the Accounting Standards Board on 4th December, 1997 requires the group to change its accounting policy in respect of players' registrations. The group has adopted a policy of amortising the cost of acquired player registrations over the period of the players' contracts with appropriate adjustments for any permanent diminution in value assessed to have taken place. The prior years figures have been restated on a comparable basis, resulting in a prior year charge of £2,628,000.
- (5) Copies of this Interim Statement are being posted to shareholders on Friday 16th April 1999 and will also be available from that date for fourteen days from the Company's registered office, The Tom Silk Building, Halfords Lane, West Bromwich B71 4BR.

Group Balance Sheet

	31st Dec 1998	31st Dec 1997	30th June 1998
	£000	as restated (see note 4) £000	as restated (see note 4) £000
Fixed assets			
Intangible assets	3,154	3,084	3,386
Tangible assets	13,062	12,746	13,025
	<u>16,216</u>	<u>15,830</u>	<u>16,411</u>
Current assets			
Stocks	215	124	213
Debtors - amounts falling due within one year	459	951	1,023
Cash at bank and in hand	6	1,597	823
	<u>680</u>	<u>2,672</u>	<u>2,059</u>
Creditors - amounts falling due within one year	3,243	3,549	3,756
Net current liabilities	<u>2,563</u>	<u>877</u>	<u>1,697</u>
Total assets less current liabilities	<u>13,653</u>	<u>14,953</u>	<u>14,714</u>
Creditors - amounts falling due after more than one year	3,105	3,448	3,284
Net assets	<u>10,548</u>	<u>11,505</u>	<u>11,430</u>
Capital and reserves			
Called up share capital	874	736	874
Share premium account	4,546	4,546	4,546
Revaluation reserve	5,678	5,723	5,678
Other reserves	641	655	641
Profit and loss account	(1,191)	(155)	(309)
	<u>10,548</u>	<u>11,505</u>	<u>11,430</u>
Movement in shareholders' funds			
At 30th June 1998 as previously reported	14,058		
Prior year adjustment (see note 4)	(2,628)		
At 30th June 1998 as restated	11,430		
Loss after taxation	(882)		
At 31st December 1998	<u>10,548</u>		



(J.D. WILE)

The Tom Silk Building
Halfords Lane
West Bromwich
B71 4BR