

Registered number: 00171970

The Walsall Football Club Limited

Directors' Report and Financial Statements

For the Year Ended 31 May 2018



The Walsall Football Club Limited

Company Information

Directors	J W Bonser K R Whalley R C Bonser R E Tisdale N C Bond S Gamble P J Gilman L M Pomlett D S Mole
Company secretary	S Gamble
Company number	00171970
Registered office	Banks's Stadium Bescot Crescent Walsall West Midlands WS1 4SA
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

The Walsall Football Club Limited

Contents

	Page
Chairman's Statement	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 26

The Walsall Football Club Limited

Chairman's Statement For the Year Ended 31 May 2018

On behalf of the Board of Directors I am pleased to present the annual report and accounts for the year ended 31 May 2018.

For the thirteenth consecutive year I am able to announce a trading profit, this time of £9,000 (2017 - £215,000). Furthermore, our borrowings reduced significantly by £279,000 during the year.

On-the-pitch, it was a difficult season as we flirted with relegation but crucially managed to preserve our League One Status. Ultimately, a series of poor results culminated in the Club parting ways with Team Manager, Jon Whitney, back in March with former player and Fans' Favourite, Dean Keates, being installed as his successor once a compensation package had been agreed with Wrexham AFC.

There wasn't too much to cheer about during the campaign but supporters came out in force on a late April Saturday afternoon to watch the Team secure safety following a 1-0 victory at home against Northampton Town, courtesy of a 92-minute winner scored by George Dobson.

Despite only being in situ for a short period of time, Dean has already made a significant impact at the Club and is putting his stamp on things. He has already brought in his own staff and is in the process of restructuring the Football Department including the vital Scouting System and Recruitment Network. Importantly, the Players have really responded to him and I am incredibly optimistic for what the future holds.

Off the Pitch, the Conference & Events, Commercial and Retail Departments have all performed well, generating significant profits which were ploughed back into the core Football Business and we enjoyed our first full year of trading on the Midpoint M6 LED Screens which have been a resounding success.

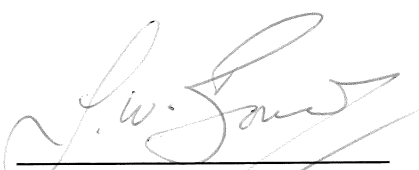
As always, we have continued to enjoy fantastic support from all of our other Commercial Partners and Sponsors. I would like to place on record my personal thanks to those organisations and individuals who have invested in the Club over the season and have contributed towards everything we as a Club are able to achieve.

In particular, I would like to thank Marstons, HomeServe, St. Francis Group, Dains LLP, the Walsall FC Community Programme, the University of Wolverhampton, Tile Choice, SPV Group, Excel Print, Pom's Kitchen & Deli, Codestorm and Bailey & Mackey Ltd for their ongoing support.

Once again, I would like to pay tribute to the Community Team who enrich the lives of so many local people and of course my fellow Board members and Staff at the Banks's Stadium for their ongoing commitment and dedication.

Finally, on behalf of everyone at Walsall Football Club I would like to say a big thank you to the Supporters. As always, they have been exceptional during what was a very tough season and I would like to assure them all that all of our efforts are focused on giving them a Team and a Club to be proud of.

This report was approved by the board on 3 December 2018 and signed on its behalf.



J W Bonser
Director

The Walsall Football Club Limited

Directors' Report For the Year Ended 31 May 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

Principal activity

The principal activity of the company continued to be that of a Professional Football League Club.

Results and dividends

The profit for the year, after taxation, amounted to £9,000 (2017 - £215,000).

The directors do not recommend payment of a dividend (2017 - £nil).

Directors

The directors who served during the year were:

J W Bonser
K R Whalley
R C Bonser
R E Tisdale
N C Bond
S Gamble
P J Gilman
L M Pomlett
D S Mole

The directors who retire by rotation are N C Bond and P J Gilman who, being eligible, offer themselves for re-election.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Chairman's Statement and form part of this report by cross reference.

The Walsall Football Club Limited

Directors' Report (continued) For the Year Ended 31 May 2018

Directors' responsibilities statement

The directors are responsible for preparing the Chairman's Statement, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Disclosure of information to auditors


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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 December 2018 and signed on its behalf.



S Gamble
Director

The Walsall Football Club Limited

Independent Auditors' Report to the Members of The Walsall Football Club Limited

Opinion

We have audited the financial statements of The Walsall Football Club Limited (the 'company') for the year ended 31 May 2018, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditors' Report to the Members of The Walsall Football Club Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chairman's Statement and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Statement and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Statement or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 Auditors' 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.



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

3 December 2018

The Walsall Football Club Limited

**Profit and Loss Account
For the Year Ended 31 May 2018**

	Note	2018 £000	2017 £000
Turnover	4	5,853	6,637
Net operating costs		(5,794)	(6,371)
Operating profit	6	59	266
Interest payable and similar expenses	9	(50)	(51)
Profit before tax		9	215
Tax on profit	10	-	-
Profit for the financial year		9	215

The notes on pages 12 to 26 form part of these financial statements.

The Walsall Football Club Limited

**Statement of Comprehensive Income
For the Year Ended 31 May 2018**

	2018	2017
	£000	£000
Profit for the financial year	<u>9</u>	<u>215</u>
Total comprehensive income for the year	<u>9</u>	<u>215</u>

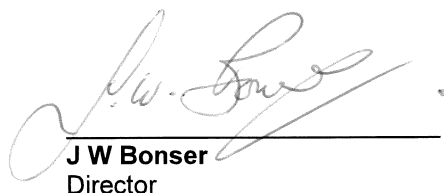
The notes on pages 12 to 26 form part of these financial statements.

The Walsall Football Club Limited
Registered number:00171970

Balance Sheet
As at 31 May 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	11	-	110
Tangible assets	12	6,334	6,503
		<u>6,334</u>	<u>6,613</u>
Current assets			
Stocks	13	97	44
Debtors: amounts falling due within one year	14	857	1,125
Cash at bank and in hand	15	18	26
		<u>972</u>	<u>1,195</u>
Creditors: amounts falling due within one year	16	(2,182)	(2,513)
Net current liabilities		<u>(1,210)</u>	<u>(1,318)</u>
Total assets less current liabilities		<u>5,124</u>	<u>5,295</u>
Creditors: amounts falling due after more than one year	17	(1,669)	(1,849)
Net assets		<u><u>3,455</u></u>	<u><u>3,446</u></u>
Capital and reserves			
Called up share capital	20	50	50
Other reserves	21	4,113	4,113
Profit and loss account	21	(708)	(717)
		<u><u>3,455</u></u>	<u><u>3,446</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 December 2018.


J W Bonser
Director

The notes on pages 12 to 26 form part of these financial statements.

The Walsall Football Club Limited

Statement of Changes in Equity
For the Year Ended 31 May 2018

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 June 2017	50	4,113	(717)	3,446
Comprehensive income for the year				
Profit for the year	-	-	9	9
At 31 May 2018	50	4,113	(708)	3,455

Statement of Changes in Equity
For the Year Ended 31 May 2017

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 June 2016	50	4,113	(932)	3,231
Comprehensive income for the year				
Profit for the year	-	-	215	215
At 31 May 2017	50	4,113	(717)	3,446

The notes on pages 12 to 26 form part of these financial statements.

The Walsall Football Club Limited

Statement of Cash Flows
For the Year Ended 31 May 2018

	2018 £000	2017 £000
Cash flows from operating activities		
Profit for the financial year	9	215
Adjustments for:		
Amortisation of intangible assets	-	51
Depreciation of tangible assets	194	201
Impairments of fixed assets	-	18
Loss on disposal of tangible assets	4	303
Interest paid	50	51
(Increase)/decrease in stocks	(53)	17
Decrease in debtors	268	437
(Decrease) in creditors	(231)	(233)
Net cash generated from operating activities	241	1,060
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(179)
Sale of intangible assets	110	-
Purchase of tangible fixed assets	(29)	(757)
Sale of tangible fixed assets	-	60
HP interest paid	-	(2)
Net cash from investing activities	81	(878)
Cash flows from financing activities		
New secured loans	-	200
Repayment of loans	(150)	-
Repayment of other loans	(229)	(338)
Repayment of finance leases	-	(43)
Interest paid	(50)	(49)
Net cash used in financing activities	(429)	(230)
Net (decrease) in cash and cash equivalents	(107)	(48)
Cash and cash equivalents at beginning of year	(224)	(176)
Cash and cash equivalents at the end of year	(331)	(224)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	18	26
Bank overdrafts	(349)	(250)
	(331)	(224)

The notes on pages 12 to 26 form part of these financial statements.

1. General information

The Walsall Football Club Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given in the company information section. The nature of the company's operations and its principal activities are set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company is currently reporting net current liabilities of £1.210m (2017 - £1.318m). The directors have confirmed their intentions to provide the necessary financial support for a period of 24 months from the date of signing these financial statements. Furthermore, the directors have prepared cash flow forecasts which show that the club is able to meet its debts as they fall due in the foreseeable future. On the basis of this support and the cash flow forecasts the financial statements have been prepared on the going concern basis.

2.3 Revenue

Turnover represents all income arising from the activities of the company excluding player transfer fees and Value Added Tax. Included within turnover are Football League receipts, net gate receipts, merchandising/retail receipts, sponsorship and advertising receipts, conferencing and events receipts and other income.

Football League income is recognised in full in the season to which it relates.

Season tickets and seasonal hospitality income is recognised over the season to which they relate and released over the home matches played.

Sponsorship and advertising income is recognised over the duration of the contract. Dependent on the terms of the contract this can be spread on a match to match or straight line basis.

Net gate receipts, including match day hospitality receipts, are recognised on the relevant match date.

Conference and event income is recognised on the date of the event.

Retail income is recognised at the point of sale.

2.4 Intangible assets

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts in accordance with Financial Reporting Standard 102 Section 18 Intangible assets other than Goodwill.

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Football stadium and training ground	-	not depreciated - see below
Motor vehicles	-	10% to 25% straight line
Fixtures, fittings and equipment	-	5% to 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

No depreciation is provided in respect of the football stadium on long leasehold and the training ground. It is the company's practice to maintain these assets to a high standard and make necessary improvements thereto from time to time and accordingly, the directors consider that the lives of the assets are so long, and residual values are so high, that their depreciation would not be material and therefore is not charged in the profit and loss account. The directors perform an annual impairment review in accordance with Financial Reporting Standard 102 Section 17 - Property, plant and equipment and Section 27 Impairment of Assets, to ensure that the recoverable amount is not lower than the carrying value.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 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. If the likelihood of meeting these criteria is not probable, no provision is made.

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Company as lessee

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

2.16 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease 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.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Multi-employer pension plan

The company is a member of a multi-employer pension plan. As there is an agreement in place with the multi-employer plan that determines how the entity will fund its share of the overall deficit, the company will recognise a liability for the contributions payable from the agreement.

2.18 Taxation

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.19 Controlling party

The ultimate controlling party is J W Bonser, a director and chairman of the club.

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

In the application of the company's accounting policies which are described in note 2, the directors are required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of the football stadium and training ground, and have concluded that asset lives and residual values are appropriate.

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2018

4. Turnover

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

	2018 £000	2017 £000
Match receipts	1,091	1,081
Football and commercial income	4,762	5,556
	<u>5,853</u>	<u>6,637</u>

All turnover arose within the United Kingdom.

5. Net operating cost

	2018 £000	2017 £000
Staff costs	3,376	3,385
Depreciation	194	201
Amortisation	-	51
Impairment	-	18
Other operating charges	2,224	2,716
	<u>5,794</u>	<u>6,371</u>

6. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible assets	194	201
Amortisation of intangible assets	-	51
Impairment of intangible assets	-	18
Loss on sale of tangible assets	1	303
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	6	6
Exchange differences	12	-
Other operating lease rentals - Football stadium, training ground, overflow car park and machinery	449	449
	<u>449</u>	<u>449</u>

The Walsall Football Club Limited

**Notes to the Financial Statements
For the Year Ended 31 May 2018**

7. Employees

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

	2018	2017
	£000	£000
Wages and salaries	3,113	3,122
Social security costs	237	249
Cost of defined contribution scheme	26	14
	3,376	3,385

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

	2018	2017
	No.	No.
Playing and coaching staff	90	82
Other staff	46	46
	136	128

8. Directors' remuneration

	2018	2017
	£000	£000
Directors' emoluments	164	184
Company contributions to defined contribution pension schemes	11	8
	175	192

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

9. Interest payable and similar expenses

	2018	2017
	£000	£000
Other loan interest payable	5	5
Finance lease and hire purchase contracts	-	2
Other interest payable	45	44
	50	51

Notes to the Financial Statements
For the Year Ended 31 May 2018

10. Taxation

	2018 £000	2017 £000
Current tax on profits for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	<u>9</u>	<u>215</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	2	43
Effects of:		
Expenses not deductible for tax purposes	3	11
Capital allowances for year in excess of depreciation	9	65
Utilisation of tax losses	<u>(14)</u>	<u>(119)</u>
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has estimated losses of £783,000 (2017 - £792,000) available for carry forward against future trading profits.

The deferred tax asset that would arise in respect of these amounting to £125,000 (2017 - £93,000) has not been recognised as the directors are unable to satisfy themselves that it is more likely than not that sufficient taxable profits will arise in the next accounting period.

The Walsall Football Club Limited

Notes to the Financial Statements
For the Year Ended 31 May 2018

11. Intangible assets

	Player registrations £000
At 1 June 2017	179
Disposals	(179)
At 31 May 2018	<u>-</u>
At 1 June 2017	69
On disposals	(69)
At 31 May 2018	<u>-</u>
Net book value	
At 31 May 2018	<u>-</u>
At 31 May 2017	<u>110</u>

12. Tangible fixed assets

	Football stadium and training ground £000	Fixtures and fittings, equipment and motor vehicles £000	Total £000
Cost or valuation			
At 1 June 2017	5,793	3,688	9,481
Additions	-	26	26
Disposals	-	(2)	(2)
At 31 May 2018	<u>5,793</u>	<u>3,712</u>	<u>9,505</u>
Depreciation			
At 1 June 2017	596	2,382	2,978
Charge for the year on owned assets	-	194	194
Disposals	-	(1)	(1)
At 31 May 2018	<u>596</u>	<u>2,575</u>	<u>3,171</u>
Net book value			
At 31 May 2018	<u><u>5,197</u></u>	<u><u>1,137</u></u>	<u><u>6,334</u></u>
At 31 May 2017	<u><u>5,197</u></u>	<u><u>1,306</u></u>	<u><u>6,503</u></u>

The Walsall Football Club Limited

Notes to the Financial Statements
For the Year Ended 31 May 2018

13. Stocks

	2018	2017
	£000	£000
Finished goods and goods for resale	97	44

14. Debtors

	2018	2017
	£000	£000
Trade debtors	570	891
Other debtors	34	15
Prepayments and accrued income	253	219
	857	1,125

15. Cash and cash equivalents

	2018	2017
	£000	£000
Cash at bank and in hand	18	26
Less: bank overdrafts	(349)	(250)
	(331)	(224)

16. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Bank overdrafts	349	250
Bank loans	50	150
Other loans	79	215
Trade creditors	491	527
Other taxation and social security	260	124
Other creditors	943	1,228
Accruals for contractual obligations for player fees	10	19
	2,182	2,513

Notes to the Financial Statements
For the Year Ended 31 May 2018

17. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Bank loans	-	50
Other loans	1,560	1,652
Other creditors	109	147
	<u>1,669</u>	<u>1,849</u>

Secured loans

The bank overdraft of £349,000 (2017 - £250,000) is secured by a personal guarantee given by J Bonser, together with a debenture on the banks standard form.

Included within Directors' loans are loans of £600,000 (2017 - £600,000) which are secured by way of a legal charge over the football stadium. The remaining balance is unsecured.

Notes to the Financial Statements
For the Year Ended 31 May 2018

18. Loans

Analysis of the maturity of loans is given below:

	2018	2017
	£000	£000
Amounts falling due within one year		
Bank loans	50	150
Other loans	79	215
	<u>129</u>	<u>365</u>
Amounts falling due 1-2 years		
Bank loans	-	50
Other loans	174	173
	<u>174</u>	<u>223</u>
Amounts falling due 2-5 years		
Other loans	1,002	1,054
	<u>1,002</u>	<u>1,054</u>
Amounts falling due after more than 5 years		
Other loans	384	425
	<u>384</u>	<u>425</u>
	<u>1,689</u>	<u>2,067</u>

Notes to the Financial Statements
For the Year Ended 31 May 2018

19. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets measured at undiscounted amount receivable	<u>622</u>	<u>932</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,038)	(2,317)
Financial liabilities at undiscounted amount payable	<u>(1,543)</u>	<u>(1,902)</u>
	<u>(3,581)</u>	<u>(4,219)</u>

Financial assets measured at the undiscounted amount receivable comprise trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise bank overdraft, loans and other loans falling due within one and over one year.

Financial liabilities measured at the undiscounted amount payable comprise trade and other creditors falling due within one and over one year.

20. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

21. Reserves

Other reserves

Other reserves represents capital contribution made to the company.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

22. Pension commitments

Certain employees of the company are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pensions and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the company is one of a number of participating employers in the FLLPLAS, the scheme's actuary has advised that it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and accordingly, no disclosures are made under the provision of FRS102. Contributions are expensed in the profit and loss account as they become payable. For the purposes of FRS102 the scheme is accounted as a multiple employer scheme. The assets of that scheme are being held separately from those of the company, being invested with insurance companies.

Following a review of the Minimum Funding Requirement (MFR) of the FLLPLAS, accruals of benefits on the final salary section of the scheme was suspended as at 31 August 1999. Since then, the Trustees of the scheme commissioned an independent Actuary's report of the MFR position and a substantial deficit was identified.

Under the Pensions Act 1995, participating employers were required to contribute to the deficiency, in accordance with an agreed Schedule of Contributions beginning on 1 August 2001 which was agreed by the Trustees and their advisers. The company's liability in respect of its share of the deficit has decreased to £149,388 (2017 - £188,292) at the balance sheet date.

Contributions are also paid into individuals' private pension schemes. Total contributions across all schemes during the year amounted to £26,014 (2017 - £13,512).

23. Commitments under operating leases

At 31 May 2018 the company had future annual minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£000	£000
Later than 5 years	449	449

There are 10 years remaining until the next break clause in the lease.

24. Related party transactions

During the year repayments of £250,464 (2017 - £369,072) were made by the company against loans owed to the directors. During the year interest of £22,646 (2017 - £30,971) was charged on these loans. At the balance sheet date £1,339,165 (2017 - £1,566,983) was owed by the company to the directors.

During the year the company made sales of £16,199 (2017 - £31,068) to entities in which directors have an interest. At the balance sheet date an amount of £15,250 (2017 - £833) was owed to the company by these entities. During the year the company made purchases of £588 (2017 - £11,720) from entities in which directors have an interest. At the balance sheet date an amount of £300 (2017 - £nil) is owed to these entities by the company.

The total remuneration for key management personnel for the year totalled £175,244 (2017 - £191,797).