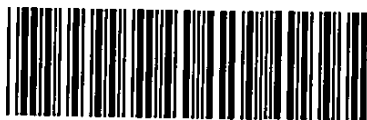


**BOLTON WANDERERS FOOTBALL &  
ATHLETIC COMPANY LIMITED**

**Annual Report and Financial Statements  
for the year ended 30 June 2011**

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# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

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# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

E Davies  
A Duckworth  
P A Gartside  
P M Mulligan  
G Seymour  
W B Warburton

### **SECRETARY**

P M Mulligan

### **REGISTERED OFFICE**

Reebok Stadium  
Burnden Way  
Lostock  
Bolton  
BL6 6JW

### **BANKERS**

Barclays Bank plc  
The Wellsprings Branch  
Victoria Square  
Bolton  
BL1 1BY

### **AUDITOR**

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
Manchester

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

### PRINCIPAL ACTIVITY AND ENHANCED BUSINESS REVIEW

The principal activity of the Company is that of a professional football club together with related commercial activities and there have been no significant changes in its activities during the year

Turnover increased over the prior year by £6,485,034 driven by growth in broadcasting revenue of which £1,302,392 can be attributed to progressing in the FA Cup. As a result, loss on ordinary activities before taxation reduced by £9,388,256 over the prior year to £26,054,730 (2010 £35,442,986). Cost of sales reduced by £2,717,955 on the prior year to £73,763,955 driven by prior year costs including significant restructuring and impairment costs.

Once again the Football Club made changes to the playing squad with £8,880,191 (2010 £15,049,790) of additions during the year with the net book value of intangible assets decreasing to £18,851,192 as at 30 June 2011 (2010 £24,091,394) a profit of £464,711 (2010 £118,917) was made on player transfers in the year.

Net current liabilities have increased by £18,892,354 over the previous year to £143,462,130. This reflects the increase in Moonshift Investments Limited funding and the change in the amount drawn on the Barclays facility to support normal working capital requirements.

The Board acknowledges there are risks which affect the Company and seeks to minimise these risks wherever possible. These risks are reviewed regularly through the Company's management and planning processes. The primary risk, in the core activity of football, is related to the uncertainty of on-the-field results. Ongoing investment in the playing squad aims to reduce this performance risk but the Board acknowledges that the level of this investment must be managed within the Club's financial constraints. Other risks are recognised and managed appropriately, by internal management, through the use of professional advisers, where appropriate, and through regular meetings with the FA Premier League, these include administration, secretarial, financial, commercial, and health and safety issues.

Key performance indicators are used to measure and evaluate Company performance and monitor various activities throughout the Company. The main key performance indicators employed in the Company are

• Revenue	£60,899,095	(2010 £54,414,061)
• Profit levels		
• gross	£12,864,860 loss	(2010 £22,067,849 loss)
• net	£26,054,730 loss	(2010 £35,442,986 loss)
• Staff costs	£54,694,713	(2010 £53,733,350)
• Average Attendance levels	22,870	(2010 21,881)
• Average ticket prices	£10.24	(2010 £10.47)
• Levels of net debt	£105,939,288	(2010 £87,486,757)

The Board monitors these on a monthly basis.

In ensuring that the Company has sufficient liquid resources to meet its liabilities as they fall due the Directors have reviewed in detail the business' cash flow projections. As disclosed in note 1, the Company's forecasts and projections, taking account of reasonably possible changes in on-pitch performance, show a shortfall in the current level of facilities. However, the Directors are currently in discussions with lenders in order to provide the Company with adequate working capital facilities.

The Company meets its day to day working capital requirements with a short term loan from Moonshift Investments Ltd, on-lent by Burnden Leisure plc. In the absence of obtaining further borrowings from the Group's lenders, the Group has a range of mitigating actions which are under the board's control. These could be implemented if necessary although the Group does not currently expect this to be the case.

On this basis the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

### RESULTS AND DISTRIBUTIONS

The Company's loss for the year before taxation was £26,054,730 (2010 £35,442,986).

No dividend can be paid.

The retained loss of £26,054,730 (2010 £35,442,986) has been withdrawn from reserves.

# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **DIRECTORS' REPORT(continued)**

### **POST BALANCE SHEET EVENTS**

Subsequent events are disclosed in note 21

### **EMPLOYEES**

The Group has comprehensive employment policies in place designed to motivate its employees by the achievements of their particular Company and the ways in which their knowledge and skills can best contribute towards its success

The Group is committed to ensuring that our workplaces are free from unlawful or unfair discrimination on the grounds of disability, colour, race, nationality, ethnic or national origin, gender, sexual orientation, age, marital status or religion. We aim to ensure that our employees achieve their full potential by encouraging them to attend courses and embrace development opportunities. All employee recruitment, development and promotion decisions are taken without reference to irrelevant or discriminatory criteria.

The Group also provides employees with information on matters of concern to them and consults with them on matters that may affect their interests via a staff consultative committee. Schemes are implemented to ensure that the loyalty and performance of employees is properly rewarded. In recognition of its employment policies the Football Club was assessed this year and again retained the Investor in People status held since 2005.

### **DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on page 1. D McBain resigned from the Board on 30 June 2011.

The directors who held office at 30 June 2011 had the following interests in the shares of the ultimate parent Company, Burnden Leisure plc.

	Ordinary shares of £1 each	
	2011 No.	2010 No.
G Seymour	283,750	283,750

A Duckworth, P A Gartside, P M Mulligan and W B Warburton are directors of the ultimate parent company, Burnden Leisure plc, and their interests are disclosed in the financial statements of that company.

The balance of directors' loans at 30 June 2011 is £66,667 (2010: £200,000).

### **FIXED ASSETS**

At the balance sheet date, an amount of £18,851,192 (2010: £24,091,394) is carried forward in intangible fixed assets, representing the unamortised cost of players' registrations.

The directors estimate the current value of the playing squad to be approximately £61,500,000 (2010: £64,050,000).

In the opinion of the directors the book value of interests in land and buildings does not exceed the current open market value.

### **AUDITOR**

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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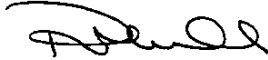
# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **DIRECTORS' REPORT(continued)**

### **AUDITOR (continued)**

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

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



Paula Mulligan  
Director  
7 October 2011

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# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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, and
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

We have audited the financial statements of Bolton Wanderers Football & Athletic Company Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholder's Deficit, the Balance Sheet and the related notes 1 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 annual 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 2011 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.

### **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.



Patrick Loftus (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
7 October 2011



# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 June 2011

		30 June 2011			30 June 2010
		Operations excluding player trading	Player Trading	Total	
	Note				
<b>TURNOVER</b>	2	60,899,095	-	60,899,095	54,414,061
Cost of sales		(59,691,570)	(14,072,385)	(73,763,955)	(76,481,910)
<b>GROSS PROFIT/(LOSS)</b>		1,207,525	(14,072,385)	(12,864,860)	(22,067,849)
Administrative expenses		(9,061,773)	-	(9,061,773)	(9,685,643)
<b>OPERATING LOSS</b>		(7,854,248)	(14,072,385)	(21,926,633)	(31,753,492)
Profit on transfer of players' registrations	3	-	464,711	464,711	118,917
Loss on disposal of tangible fixed assets	6	(4,285)	-	(4,285)	(30,284)
Investment income	4	391,337	-	391,337	484,950
Finance charges	5	(4,979,860)	-	(4,979,860)	(4,263,077)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	(12,447,056)	(13,607,674)	(26,054,730)	(35,442,986)
Tax on loss on ordinary activities	7	-	-	-	-
<b>LOSS ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR</b>	18	(12,447,056)	(13,607,674)	(26,054,730)	(35,442,986)

Player trading consists of the amortisation of the costs of acquiring player registrations and the profit on disposal of player registrations

All results relate to continuing operations

There are no recognised gains or losses other than those reported above for the current and previous year, and consequently a statement of total recognised gains and losses has not been prepared

The accompanying notes are an integral part of this profit and loss account

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## BALANCE SHEET

As at 30 June 2011

	Note	30 June 2011 £	30 June 2010 £
<b>FIXED ASSETS</b>			
Intangible assets	9	18,851,192	24,091,394
Tangible assets	10	39,259,630	40,528,611
Investments	11	2,164,221	2,164,221
		<u>60,275,043</u>	<u>66,784,226</u>
<b>CURRENT ASSETS</b>			
Stocks	12	88,604	190,706
Debtors	13	7,979,572	8,126,792
Cash at bank and in hand		18,694	763,526
		<u>8,086,870</u>	<u>9,081,024</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(151,549,000)</u>	<u>(133,650,800)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(143,462,130)</u>	<u>(124,569,776)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(83,187,087)</u>	<u>(57,785,550)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(9,657,496)</u>	<u>(9,004,303)</u>
<b>NET LIABILITIES</b>		<u>(92,844,583)</u>	<u>(66,789,853)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	123,750	123,750
Share premium account	18	206,626	206,626
Capital reserves	18	31,418	31,418
Other reserves	18	25,347	25,347
Profit and loss account	18	<u>(93,231,724)</u>	<u>(67,176,994)</u>
<b>SHAREHOLDERS' DEFICIT</b>		<u>(92,844,583)</u>	<u>(66,789,853)</u>

These financial statements of Bolton Wanderers Football and Athletic Company Limited, registered number 00043026 were approved by the Board of Directors and authorised for issue on 7 October 2011

Signed on behalf of the Board of Directors



Paula Mulligan

Director

The accompanying notes are an integral part of this balance sheet

# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2011**

### **1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements contain information about Bolton Wanderers Football and Athletic Club Limited as an individual company and do not contain consolidated financial information as a parent of a group. The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 399 of the Companies Act 2006 on the basis that it is a wholly owned subsidiary undertaking of Burnden Leisure plc, a company incorporated in Great Britain, which prepares consolidated financial statements which are publicly available. The Company is also, on this basis, exempt from the requirement of FRS 1 (Revised 1996) Cash Flow Statements to present a cash flow statement.

#### **Going concern**

As set out in the Directors' Responsibilities Statement on page 4 the Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In satisfaction of this responsibility the Directors have considered the Company's ability to meet its liabilities as they fall due. The Company meets its day to day working capital requirements with short term loans from Moonshift Investments Ltd, on-lent by Burnden Leisure plc. Burnden Leisure plc is reliant on these loans being continually renewed. The directors have received assurances that repayment of the loans will not be demanded within 12 months of signing the financial statements.

Based on the current level of facilities, the Company's forecasts and projections, taking account of reasonably possible changes in on-pitch performance, show a shortfall in the current level of facilities. The Directors are currently in discussions with potential lenders in order to provide the Company with adequate working capital facilities.

In the absence of obtaining further borrowings from the Company's lenders, the Company has a range of mitigating actions which are under the board's control, including but not limited to the sale of assets. These could be implemented if necessary although the Company does not currently expect this to be the case.

On this basis the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

#### **Intangible assets – Players' Registrations**

In accordance with FRS 10 Goodwill and Intangible Assets, fees payable on the transfer of players' registrations are capitalised at cost and written off over the length of the players' contracts. Profit or loss on the sale of players' registrations is based on transfer fees receivable and the amortised cost of the players and is recognised in the period in which the transfers are made. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale. Future payments for the acquisition of a player's registration, which may become due dependent on the performance of the team and/or the individual player, are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these payments will eventually be made. Similar terms may exist in contracts for the sale of players' registrations but such payments are not recognised as part of the proceeds of disposal until the event upon which the payment is dependent is known to have occurred.

#### **Signing-on fees**

Signing-on fees are charged evenly to the profit and loss account over the period of the players' contracts. Where a player's registration is transferred any signing on fees payable in respect of future periods are charged against the profit/loss on disposal of player registrations in the period in which the disposal is recognised.

# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)** **Year ended 30 June 2011**

### **1 ACCOUNTING POLICIES (continued)**

#### **Tangible fixed assets**

Tangible fixed assets are stated at historical cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and the assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over the expected useful economic life, as follows

Freehold land	No depreciation charge
Assets in the Course of Construction	No depreciation charge
Stadium and Academy	50 years
Fixtures and fittings	3 to 10 years
Plant, equipment and motor vehicles	3 to 10 years
Residual value is calculated on prices prevailing at the date of acquisition	

#### **Fixed asset investments**

Fixed asset investments are stated at cost less provision for impairment

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks

#### **Finance costs**

The finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

#### **Debt**

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period

#### **Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

#### **Turnover**

Turnover consists of sales in the ordinary course of business to external customers for goods and services supplied, net of trade discounts and VAT. Turnover is recognised as the services are provided and matches and events take place

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

### 1 ACCOUNTING POLICIES (continued)

#### Pension costs and other retirement benefits

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions to the staff and directors' defined contribution private pension schemes that are payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Company provides pension facilities to certain members of staff through The Football League Limited Players Retirement Scheme, a defined contribution scheme and The Football League Limited Pension and Life Assurance Scheme a defined benefit scheme.

#### Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

#### Leases and hire purchase obligations

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### Government grants

Government grants and other grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

### 2 TURNOVER

Turnover arose entirely from football activities in the United Kingdom.

### 3 ITEMS REPORTED AFTER OPERATING LOSS

The profit on transfer of players' registrations relates to the disposal of certain players' registrations.

There is no effect on the amounts charged to the profit and loss account for taxation due to the availability of losses.

### 4 INVESTMENT INCOME

	2011 £	2010 £
Interest receivable and similar income	391,337	484,950

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

### 5 FINANCE CHARGES

	2011 £	2010 £
Bank loans, overdrafts and other loans	4,924,503	4,207,819
Finance leases and hire purchase contracts	55,357	55,258
	<u>4,979,860</u>	<u>4,263,077</u>

### 6 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	13,997,355	14,570,178
Impairment of intangible assets	-	1,079,840
Restructuring costs	-	4,166,152
Foreign exchange losses	75,029	273,991
Depreciation		
Owned assets	2,110,148	2,014,151
Leased assets	139,132	131,509
Amortisation of grants	(174,806)	(166,440)
Loss on disposal of tangible fixed assets	4,285	30,284
Fees payable to the Company's auditor for the audit of the Company's annual and interim accounts	29,000	29,000
Tax services paid to the Company's auditor	30,283	10,000
	<u></u>	<u></u>

### 7 TAX ON LOSS ON ORDINARY ACTIVITIES

No current tax charge has arisen during the year due to the impact of current year losses

#### Factors affecting the tax charge for the period

The difference between the actual tax charge and the amount calculated by applying the standard rate of corporation tax is as follows

	2011 £	2010 £
Loss on ordinary activities before tax	(26,054,730)	(35,442,986)
United Kingdom corporation tax at 27.5% (2010: 28%)	(7,165,051)	(9,924,011)
Effects of		
Expenses not deductible for tax purposes	1,435,745	1,611,221
Non-taxable items	(155,690)	(182,389)
Capital allowances in excess of depreciation	25,173	573,258
Other timing differences	(179,520)	77,505
Tax losses available to carry forward	6,039,343	7,844,416
	<u>-</u>	<u>-</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

### 7 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

At 30 June 2011, the Company had trading losses to carry forward of £84 million (2010 £62 million)

A deferred tax asset has not been recognised in respect of unrelieved losses as the directors do not believe that it is more likely than not that the asset will be recovered. The asset will be recognised when sufficient profits are generated, against which the losses can be offset.

With effect from 1 April 2012, the standard rate of corporation tax in the UK will change to 25%. This will affect the calculation of the deferred tax balances in the financial statements, but the impact of the change is not expected to be material to the company.

### 8 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2011 No	2010 No
Average number of persons employed including directors		
Football players	60	57
Management and administration	196	187
	<u>256</u>	<u>244</u>
		Restated
	£	£
Average number of persons employed including directors		
Football players	48,623,464	47,499,007
Social security costs	5,857,481	5,801,577
Pension costs (see note 19c)	213,768	432,766
	<u>54,694,713</u>	<u>53,733,350</u>

Directors' remuneration is borne by the parent Company.

Certain staff of the Company are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension 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 actuary has indicated that it would be impractical to allocate any actuarial surplus or deficit. The Company has therefore adopted the multi-employer scheme exemption under FRS 17 and expensed contributions in the profit and loss account as they become payable. The assets of the schemes are held separately from those of the Company, being invested with insurance companies.

Following a review of the Minimum Funding Requirement ("MFR") of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1985 participating employers will be required to contribute to the deficiency. The Club was advised by the FA Premier League that a basis of apportionment of the deficit had been approved by the trustees and their advisors, although a number of important issues remain to be resolved that could impact on the final quantification of this liability. As a notional apportionment of the deficit has been calculated, the Company has reflected that amount on the balance sheet. However, in the absence of a full actuarial apportionment of the scheme's assets and liabilities the exemption afforded by FRS 17 continues to be taken. The deficit of £108,145 at 30 June 2011 is included in Other Creditors.

Contributions payable by the Company to employees' (including Executive Directors) personal pension schemes are charged to the profit and loss account in the period to which they relate. The schemes are defined contribution schemes, the assets of which are held separately from the Company.

Prior year staff costs have been represented to include £8,534,807 of additional costs which were not included in the staff cost analysis in the prior year. This has no impact on the Profit and Loss account.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

### 9 INTANGIBLE FIXED ASSETS

	Player transfer and agents fees £
<b>Cost</b>	
At 1 July 2010	52,633,666
Additions	8,880,191
Disposals	(2,344,192)
At 30 June 2011	59,169,665
<b>Accumulated amortisation</b>	
At 1 July 2010	(28,542,272)
Charge for the year	(13,997,355)
Disposals	2,221,154
At 30 June 2011	(40,318,473)
<b>Net book value</b>	
At 30 June 2011	18,851,192
At 1 July 2010	24,091,394

### 10. TANGIBLE FIXED ASSETS

	Stadium & academy £	Freehold land £	Fixtures and fittings £	Plant, equipment and vehicles £	Assets in the course of construction £	Total £
<b>Cost</b>						
At 1 July 2010	45,531,420	804,000	3,776,000	4,302,532	154,253	54,568,205
Additions	59,273	-	411,949	515,485	-	986,707
Disposals	-	-	-	(49,856)	-	(49,856)
Reclassification	-	-	15,750	111,468	(127,218)	-
At 30 June 2011	45,590,693	804,000	4,203,699	4,879,629	27,035	55,505,056
<b>Accumulated depreciation</b>						
At 1 July 2010	9,498,533	-	2,232,909	2,308,152	-	14,039,594
Charge for the year	985,696	-	563,024	700,560	-	2,249,280
Disposals	-	-	-	(43,448)	-	(43,448)
At 30 June 2011	10,484,229	-	2,795,933	2,965,264	-	16,245,426
<b>Net book value</b>						
At 30 June 2011	35,106,464	804,000	1,407,766	1,914,365	27,035	39,259,630
At 1 July 2010	36,032,887	804,000	1,543,091	1,994,380	154,253	40,528,611
<b>Leased assets included in the above Net book value</b>						
At 30 June 2011	-	-	2,686	416,596	-	419,282
At 1 July 2010	-	-	3,713	562,699	-	566,412

Freehold land amounting to £804,000 (2010 £804,000) has not been depreciated



# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

### 11. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries £	Medals £	Total £
<b>Cost and net book value</b>			
At 1 July 2010 and 30 June 2011	2,150,000	14,221	2,164,221

The Company has two wholly owned dormant subsidiary undertakings, incorporated in England and Wales, being Bolton Sports Village Limited and Bolton Wanderers (Holdings) Limited. The Company also has a 50% interest in the ordinary share capital and a 32.5% interest in the preference share capital of Bolton Whites Hotel Limited, a Company registered in England and Wales. The principal activity of this subsidiary undertaking is the provision of hotel and catering services.

### 12. STOCKS

	2011 £	2010 £
Goods for resale	88,604	190,706

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 13. DEBTORS

	2011 £	2010 £
Trade debtors	2,114,090	2,115,614
Debtors arising from Player Transfers due within one year	201,538	528,669
Amounts owed by group undertakings	3,197,679	3,274,765
Other debtors	63,721	98,001
Prepayments and accrued income	2,402,544	2,109,743
<b>Total debtors due within one year</b>	<b>7,979,572</b>	<b>8,126,792</b>

### 14. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	1,246,146	1,593,138
Obligations under finance leases	11,998	23,195
Bank Overdrafts	1,314,614	2,711,382
Bank Loans	5,000,000	-
Directors' loans	66,667	133,333
Amounts owed to group undertakings	112,770,411	98,222,865
Other taxation and social security	4,322,289	3,694,087
Other creditors	1,700,455	1,210,269
Accruals	14,007,727	10,500,182
Creditors arising from Player Transfers	7,030,451	12,956,575
Deferred income	4,078,242	2,605,774
<b>Total</b>	<b>151,549,000</b>	<b>133,650,800</b>

Deferred income consists of season tickets, sponsorship and other monies which were received prior to the year end but which were in respect of future periods. Also included in deferred income are grants and other contributions to the cost of the stadium of £174,806 (2010: £166,753).

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

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

	2011 £	2010 £
Obligations under finance leases	-	4,799
Other loans	2,527	2,527
Directors' loans	-	66,667
Amounts owed to group undertakings	39,704	276,463
Creditors arising from Player Transfers	3,504,136	2,336,250
Accruals	108,698	132,013
Deferred income	6,002,431	6,185,584
	<u>9,657,496</u>	<u>9,004,303</u>

Deferred income consists of grants and other contributions to the cost of the stadium of £5,999,913 (2010 £6,185,584)

Borrowings included in creditors due within one year and after more than one year are payable as follows

	2011 £	2010 £
<b>Bank loans, overdrafts and other loans</b>		
Between one and two years	2,527	69,194
On demand or within one year	6,381,281	2,844,715
	<u>6,383,808</u>	<u>2,913,909</u>

	2011 £	2010 £
<b>Finance leases and hire purchase contracts</b>		
Between one and two years	-	4,799
On demand or within one year	11,998	23,195
	<u>11,998</u>	<u>27,994</u>

	2011 £	2010 £
<b>Total borrowings including finance leases and hire purchase contracts</b>		
Between one and two years	2,527	73,993
On demand or within one year	6,393,279	2,867,910
	<u>6,395,806</u>	<u>2,941,903</u>

The Group has granted a floating charge to secure bank loans, overdrafts and other loans of £102,023,102 (2010 £88,282,000)

On demand or within one year includes an amount of £99,267,000 (2010 £84,767,000) of which £84,767,000 is repayable by 6 June 2012 and £14,500,000 is repayable by 27 February 2012. Both linked to interest rates of 5%.

Amounts owed to other group undertakings are unsecured, interest free and have no set repayment dates.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

### 16 DEFERRED TAXATION

The net deferred tax asset not recognised can be analysed as follows

	2011 £	2010 £
Accelerated capital allowances	272,288	116,792
Other timing differences	752,207	566,718
Tax losses	(21,827,980)	(17,344,744)
	<u>(20,803,485)</u>	<u>(16,661,234)</u>

No deferred tax has been provided in the current or prior year

### 17 CALLED UP SHARE CAPITAL

	2011 £	2010 £
<b>Authorised</b>		
4,000 special ordinary shares of £1 each	4,000	4,000
40,000 ordinary shares of £3 each	120,000	120,000
	<u>124,000</u>	<u>124,000</u>
<b>Called up, allotted and fully paid</b>		
3,750 special ordinary shares of £1 each	3,750	3,750
40,000 ordinary shares of £3 each	120,000	120,000
	<u>123,750</u>	<u>123,750</u>

All shares rank pari-passu as if one class of shares were in issue

### 18. RESERVES

	2011 £	2010 £
Profit and loss account	(93,231,724)	(67,176,994)
Share premium account	206,626	206,626
Capital reserve	31,418	31,418
Other reserves	25,347	25,347
	<u>(92,968,333)</u>	<u>(66,913,603)</u>

The movement on reserves during the year was as follows

	Share premium account £	Capital reserve £	Other reserves £	Profit and loss account £	Total £
At 1 July 2010	206,626	31,418	25,347	(67,176,994)	(66,913,603)
Loss for the year	-	-	-	(26,054,730)	(26,054,730)
At 30 June 2011	<u>206,626</u>	<u>31,418</u>	<u>25,347</u>	<u>(93,231,724)</u>	<u>(92,968,333)</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

### 19 FINANCIAL COMMITMENTS

#### a) Capital commitments

	2011 £	2010 £
Contracted for but not provided	552,606	527,261

A commitment of £552,606 has been made in relation to capital projects including stadium comfort cooling and under soil heating

#### b) Contingent liabilities

The terms of certain contracts with other football clubs and players agents in respect of players' registrations transferred include the payment of additional amounts upon fulfilment of specific conditions in the future. The maximum amount that could be payable as at 30 June 2011 is £3,840,457 (2010 £1,825,000)

#### c) Pension commitments

The pension cost charge for the period was £213,768 (2010 £540,300)

### 20 RELATED PARTY TRANSACTIONS

At the year end amounts owed to Bolton Wanderers Football and Athletic Company Limited from its subsidiary undertaking amounted to £86,709 (2010 £58,867)

At the year end amounts owed from Bolton Wanderers Football and Athletic Company Limited to its subsidiary undertaking amounted to £109,396 (2010 £6,725)

During the year Arley Partnership LLP (a limited liability partnership of which P Gartside is a member) purchased goods and services from Bolton Wanderers Football and Athletic Company Limited in the ordinary course of business, valued at £19,708 (2010 £18,383)

At the year end the amount owed to Bolton Wanderers Football and Athletic Company Limited by Arley Partnership LLP in respect of corporate hospitality amounted to £nil (2010 £3,000)

During the year P Gartside purchased goods and services from Bolton Wanderers Football and Athletic Company Limited in the ordinary course of business, valued at £8,117 (2010 £3,924)

At the year end the amount owed to Bolton Wanderers Football and Athletic Company Limited by P Gartside in respect of corporate hospitality amounted to £2,965 (2010 £1,400)

At the year end Bolton Wanderers Football and Athletic Company Limited owed £2,832,474 (2010 £2,667,503) to Moonshift Investments Limited in respect of a player success fee

During the year Moonshift Investments Limited charged Bolton Wanderers Football and Athletic Company Limited £5,025,000 (2010 £3,925,000) in respect of interest, arrangement and guarantee fees

As a subsidiary undertaking of Burnden Leisure plc, the Company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing other transactions with other members of the group headed by Burnden Leisure plc

During the year Bolton Wanderers Development Association (Chorley) Ltd donated £391,338 (2010 £484,950) to Bolton Wanderers Football and Athletic Company Ltd as contribution to the cost of projects completed by Bolton Wanderers Football and Athletic Company Ltd

At the year end Bolton Wanderers Football and Athletic Company Ltd was owed £460,302 (2010 £689,043) by Bolton Wanderers Development Association (Chorley) Ltd

# **BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 30 June 2011**

### **21. SUBSEQUENT EVENTS**

#### **Acquisition & disposal of intangible assets**

Since the balance sheet date the Club has acquired players' registrations for a cost of £11,607,635 and will receive £5,097,828 for the transfer of players registration

### **22. ULTIMATE PARENT COMPANY**

The directors regard Burnden Leisure plc, a Company incorporated in England, as the ultimate parent and controlling Company. The ultimate controlling party of Burnden Leisure plc is Fildraw Private Trust Company Limited. Fildraw Private Trust Company Limited is registered in Bermuda having its registered office at Richmond House, 12 Par-la-Ville Road, Hamilton, Bermuda.

Burnden Leisure plc is the parent Company of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Reebok Stadium, Burnden Way, Lostock, Bolton BL6 6JW.