Company Registration No 00043026

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

Annual Report and Financial Statements

for the year ended 30 June 2013

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

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BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P A Gartside
B Cooper (appointed 3^{rd} September 2012)
G Seymour (resigned 4^{th} February 2013)
W B Warburton
P Mulligan (resigned 16^{th} August 2012)
A Massey (appointed 4^{th} February 2013)
R Gee (appointed 4^{th} February 2013)

SECRETARY

A Massey (appointed 16^{th} August 2012)
P Mulligan (resigned 16^{th} August 2012)

REGISTERED OFFICE

Reebok Stadium
Burnden Way
Lostock
Bolton
BL6 6JW

BANKERS

Barclays Bank plc
Market Street
Bolton
BL1 1XA

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 2013

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 reduced over the prior year by £29,914,971 due to relegation to the Championship resulting in lower Broadcasting receipts and an adverse impact on Commercial revenues Cost of sales decreased from £75,135,452 to £63,819,273 due to a reduction in player wage costs and amortisation offset by an impairment loss of £11,220,679 Administrative expenses decreased by £1,334,577 on the prior year to £8,590,933, mainly due to restructuring costs Loss on ordinary activities before taxation increased by £28,632,062 over the prior year to £50,749,523 (2012 £22,117,461) Profit on the transfer of player registrations was £16,951 in the year (2012 £10,253,547)

Once again the Football Club made changes to the playing squad with £4,016,704 (2012 £16,289,351) of additions during the year and disposals of £19,194,256 at cost (net book value of disposals is £708,607), with the net book value of intangible assets decreasing to £1,655,970 as at 30 June 2013 (2012 £19,038,294) This included an impairment loss of £11,220,679 against the carrying value of the playing squad Certain onerous contract provisions have also been made

Net current liabilities have increased by £6,288,332 over the previous year to £44,981,032 Provisions for liabilities have been included at £2,695,531 This provision relates to onerous contracts representing the difference between the salaries paid by the Company and the salaries recovered for players who at the balance sheet date were either not able to fulfil their contractual obligations or the directors were willing to loan out and subsequently have gone on loan Creditors more than one year have increased £23,230,737 to £160,560,331 which reflects the increase in Moonshift Investments Limited funding

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 is around funding and ongoing reliance on the Group's principal shareholder Eddie Davies This risk is mitigated through continual and regular provision of information and dialogue with Eddie Davies In the core activity of football, the primary risk 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 League

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	£ 28,548,928	(2012 £58,463,899)
• Loss levels		
• gross	£35,270,345 loss	(2012 £16,671,553 loss)
• net	£50,749,523 loss	(2012 £22,117,461 loss)
• Staff costs	£36,518,162	(2012 £53,738,939)
• Average attendance levels	18,093	(2012 23,670)
• Average ticket prices	£8 15	(2012 £10 00)
• Levels of net debt	£159,833,954	(2012 £132,095,351)

The Board monitors these on a monthly basis

DIRECTORS' REPORT (continued)

GOING CONCERN

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 on a number of different scenarios One of these scenarios includes what the directors consider to be a reasonable downside scenario which they consider prudent to adopt as part of the going concern exercise These forecasts assume the receipt of additional external financing of which the Directors are in receipt of firm offers and a number of mitigations within the control of the Directors These forecasts and projections, pre mitigations, which have been adopted for going concern, after taking account of reasonably possible changes in on-pitch performance, show a funding requirement compared to the current level of facilities This funding requirement arises immediately following 12 months from the signing of these accounts The directors are currently in discussions with lenders to provide the Company with adequate working capital facilities and they believe that sufficient funding, if required, could be obtained.

However the forecasts adopted for going concern show that, in the absence of obtaining further borrowings from the Company's lenders alternative lenders or owner, the Company has a further range of mitigating actions which are under the Board's control These actions include the sale of players, receipt of additional financing, deferral of discretionary capital expenditure and securitisation of future season ticket sales The Company does not currently expect to require the implementation of these mitigating actions, however if required, these actions could be implemented to prevent a future funding shortfall

On the basis of the disclosures above, 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 £50,749,523 (2012 £22,117,461)

No dividend can be paid The retained loss of £50,749,523 (2012 £22,117,461) has been withdrawn from reserves

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' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The dırectors who served throughout the year, and thereafter (except as noted) are set out on page 1

The dırectors who held office durıng the year had the followıng ınterests ın the shares of the ultımate parent Company, Burnden Leısure Lımıted (formerly Burnden Leısure plc)

	Ordınary shares of £1 each	
	2013 No.	2012 No
G Seymour (resıgned 4th February 2013)	283,750	283,750

P A Gartsıde, A Massey, R Gee, B Cooper and W B Warburton are dırectors of the ultımate parent company, Burnden Leısure Lımıted, and theır ınterests are dısclosed ın the financıal statements of that company

FIXED ASSETS

At the balance sheet date, an amount of £1,655,970 (2012 £19,038,294) ıs carrıed forward ın ıntangıble fixed assets, representıng the unamortısed cost of players' regıstratıons Followıng a revıew of the carryıng value of the Company's fixed assets at the perıod end, the ıntangıble assets on the balance were ımpaıred by £11,221,000

The dırectors estımate the current value of the playıng squad to be approxımately £14,100,000 (2012 £49,750,000)

In the opınıon of the dırectors the book value of ınterests ın land and buıldıngs does not exceed the current open market value

AUDITOR

Each of the dırectors at the date of approval of thıs report confirms that

- so far as the dırector ıs aware, there ıs no relevant audıt ınformatıon of whıch the Company's audıtor ıs unaware, and
- the dırector has taken all the steps that he ought to have taken as a dırector to make hımself aware of any relevant audıt ınformatıon and to establısh that the Company's audıtor ıs aware of that ınformatıon

Thıs confirmatıon ıs gıven and should be ınterpreted ın accordance wıth the provısıons of s418 of the Companıes Act 2006

Deloıtte LLP have expressed theır wıllıngness to contınue ın office as audıtor and a resolutıon to re-appoınt Deloıtte LLP as the Company's audıtor wıll be proposed at the forthcomıng Annual General Meetıng

Approved by the Board of Dırectors
and sıgned on behalf of the Board

A Massey
Dırector

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 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 2013 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

Damian Sanders BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
6 March 2014

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2013

	Note	30 June 2013 Operations excluding player trading £	30 June 2013 Player Trading £	30 June 2013 Total £	30 June 2012 £
TURNOVER	2	28,548,928	-	28,548,928	58,463,899
Cost of sales		(43,135,912)	(20,683,361)	(63,819,273)	(75,135,452)
GROSS LOSS		(14,586,984)	(20,683,361)	(35,270,345)	(16,671,553)
Administrative expenses		(8,590,933)	-	(8,590,933)	(9,925,510)
OPERATING LOSS		(23,177,917)	(20,683,361)	(43,861,278)	(26,597,063)
Profit on transfer of players' registrations	3	-	16,951	16,951	10,253,547
Profit/(loss) on disposal of tangible fixed assets	6	2,594	-	2,594	(66,747)
Investment income	4	431,405	-	431,405	439,374
Academy naming rights		-	-	-	(309,877)
Finance charges	5	(7,339,195)	-	(7,339,195)	(5,836,695)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(30,083,113)	(20,666,410)	(50,749,523)	(22,117,461)
Tax on loss on ordinary activities	7	-	-	-	-
LOSS FOR THE FINANCIAL YEAR	18	(30,083,113)	(20,666,410)	(50,749,523)	(22,117,461)

Player trading consists of the amortisation of the costs of acquiring player registrations, an impairment charge against the player registrations balance, a provision against certain onerous contracts, profit on disposal of player registrations and the gains/losses on the player related foreign exchange movement

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

BALANCE SHEET
As at 30 June 2013

	Note	30 June 2013 £	30 June 2012 £
FIXED ASSETS			
Intangible assets	9	1,655,970	19,038,294
Tangible assets	10	37,568,385	38,170,984
Investments	11	2,164,221	2,164,221
		41,388,576	59,373,499
CURRENT ASSETS			
Stocks	12	108,634	275,863
Debtors	13	7,782,536	8,686,874
Cash at bank and in hand		20,978	25,098
		7,912,148	8,987,835
CREDITORS: amounts falling due within one year	14	(52,893,180)	(47,680,535)
NET CURRENT LIABILITIES		(44,981,032)	(38,692,700)
NON CURRENT ASSETS			
Debtors amounts falling due after more than one year	13	550,000	1,100,000
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,042,456)	21,780,799
CREDITORS: amounts falling due after more than one year	15	(160,560,331)	(137,329,594)
PROVISIONS FOR LIABILITIES	16	(2,695,531)	-
NET LIABILITIES		(166,298,318)	(115,548,795)
CAPITAL AND RESERVES			
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	(166,685,459)	(115,935,936)
SHAREHOLDER'S DEFICIT		(166,298,318)	(115,548,795)

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 6 March 2014

Signed on behalf of the Board of Directors

A Massey

Director

The accompanying notes are an integral part of this balance sheet

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2013

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 Limited (formerly 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 5, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Continue 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 As disclosed in Note 15, the Company meets its day to day working capital requirements with a combination of a £151 million long term loan from Moonshift Investments Limited, on lent by its parent Burnden Leisure Limited and an overdraft and short term working capital facility provided by Barclays Bank plc

The facilities with Barclays Bank plc, consisting of an overdraft facility of £5 million and a short term working capital facility which varies between £3 million and £5 million, are due for renewal in June 2014 The Directors are in regular contact with Barclays and based on the latest discussions, are confident that Barclays will enter into positive negotiations regarding the renewal of the facility

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 on a number of different scenarios One of these scenarios includes what the directors consider to be a reasonable downside scenario which they consider prudent to adopt as part of the going concern exercise These forecasts assume the receipt of additional external financing of which the Directors are in receipt of firm offers and a number of mitigations within the control of the Directors These forecasts and projections which have been adopted for going concern, after taking account of reasonably possible changes in on-pitch performance, do show a funding requirement compared to the current level of facilities This funding requirement arises immediately following 12 months from the signing of these accounts The Directors are currently in discussions with lenders to provide the Company with adequate working capital facilities and they believe that sufficient funding, if required, could be obtained

The forecasts adopted for going concern show that, in the absence of obtaining further borrowings from the Company's lenders, alternative lenders or owner, the Company has a further range of mitigating actions which are under the board's control These actions include the sale of players, receipt of additional financing, deferral of discretionary capital expenditure and securitisation of future season ticket sales The Company does not currently expect to require the implementation of these mitigating actions, however if required, these actions could be implemented to prevent a future funding shortfall

On the basis of the disclosures above, 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

1 **ACCOUNTING POLICIES (continued)**

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 Provision is made for any impairment

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

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

1. ACCOUNTING POLICIES (continued)

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 services and events are provided Income generated from football matches is recognised as matches are played, this includes seasonal packages which are split equally between league home games Sponsorship and similar commercial income is recognised over the duration of the respective contracts The fixed element of broadcasting revenues is recognised over the duration of the football season whilst additional facility fees for live coverage or highlights are taken when earned Merit awards, where applicable, are accounted for only when known at the end of the season

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

1. ACCOUNTING POLICIES (continued)

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

	2013 £	2012 £
Interest receivable and similar income	431,405	439,374

5. FINANCE CHARGES

	2013 £	2012 £
Intercompany loans	6,940,026	5,532,035
Bank loans, overdrafts and other loans	388,996	248,259
Finance leases and hire purchase contracts	10,173	56,401
	7,339,195	5,836,695

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	9,469,742	12,799,728
Impairment of intangible assets	11,220,679	1,649,499
Onerous contracts provision	2,695,531	-
Restructuring costs	2,323,000	542,612
Foreign exchange gains	(7,060)	(149,825)
Depreciation		
Owned assets	1,817,703	2,009,834
Leased assets	134,811	134,811
Amortisation of grants	(177,306)	(174,806)
(Profit)/loss on disposal of tangible fixed assets	(2,594)	66,747
Fees payable to the Company's auditor for the audit of the Company's annual and interim accounts	49,255	33,000
Tax services paid to the Company's auditor	51,196	65,309
Consultancy services paid to the Company's auditor	4,031	-

There are no other non audit fees payable to the Company's auditor other than those noted above

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

	2013 £	2012 £
Loss on ordinary activities before tax	(50,749,523)	(22,117,461)
United Kingdom corporation tax at 23 5% (2012 25 5%)	(11,926,138)	(5,639,952)
Effects of		
Expenses not deductible for tax purposes	1,577,776	1,424,468
Capital allowances in excess of depreciation	423,602	498,650
Other timing differences	(11,136)	60,249
Tax losses surrendered	43,509	-
Tax losses available to carry forward	10,093,266	3,656,585
Utilisation of non trading deficit brought forward	(200,879)	-
	-	-

At 30 June 2013, the Company had trading losses to carry forward of £139 million (2012 £96 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 2014, the standard rate of corporation tax in the UK will change to 21% 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

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2013

8 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013	2012
	No.	No.
Average number of persons employed including directors		
Football players	59	60
Management and administration	200	203
	259	263
	£	£
Their aggregate remuneration comprised		
Salary	32,435,881	47,114,358
Social security costs	3,927,582	6,126,652
Pension costs (see note 19c)	154,699	497,929
	36,518,162	53,738,939

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 £299,772 at 30 June 2013 is included in - in Other Creditors Following the year end, the Company was advised of a potential request for acceleration in payments in order to continue the strategy of de risking the fund The company have raised a number of questions to the trustees and await a response

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

9. INTANGIBLE FIXED ASSETS

	Player transfer and agents fees £
Cost	
At 1 July 2012	54,464,861
Additions	4,016,704
Disposals	(19,194,256)
At 30 June 2013	39,287,309
Accumulated amortisation	
At 1 July 2012	(35,426,567)
Charge for the year	(9,469,742)
Impairment	(11,220,679)
Disposals	18,485,649
At 30 June 2013	(37,631,339)
Net book value	
At 30 June 2013	1,655,970
At 1 July 2012	19,038,294

FRS 11 'Impairment of fixed assets and goodwill' states that a review for impairment of fixed assets should be carried out if events or changes in circumstances indicate that the carrying amount of the Group's fixed assets may not recoverable The directors have concluded that the continued operating losses incurred within the business following relegation and a second season in the Championship represents a change in circumstance and accordingly have performed an impairment review In accordance with FRS 11, the impairment review has comprised a comparison of the carrying amount of the Group's fixed assets with their recoverable amount This has resulted in an impairment loss of £11 2 million

In accordance with FRS 11, and in the absence of any goodwill, the directors have allocated the impairment to the intangible asset values in the balance sheet This has been completed following a line by line assessment of the Group's individual player registrations balance, which represents the majority of the intangible asset balance

The key assumptions within the Group's impairment review relate to the forecast league status of the Football Club over the impairment period (and associated incremental broadcasting revenue) and the discount rate used The impairment review has been compiled based on 10 years with revenue growth consistent with current levels of contracted broadcasting revenue The objective of the football club is to achieve promotion to the Premier League at the earliest opportunity but for the purposes of this review it is anticipated to be in the 2014/15 season

A pre-tax discount rate of 10% was utilised based on the directors estimate of the rate implicit in market transactions of similar assets in the industry This assessment also included a consideration of the external risk premium charged to the Group via the interest charge on its debt If the discount rate had been 1% higher, the impairment charge would have been £13 6 million in total

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2013

10. TANGIBLE FIXED ASSETS

	Stadium & academy £	Freehold land £	Fixtures and fittings £	Plant, equipment and vehicles £	Assets in the course of construction £	Total £
Cost						
At 1 July 2012	45,620,253	804,000	3,852,046	4,696,425	38,392	55,011,116
Additions	39,787	-	48,354	503,047	771,333	1,362,521
Disposals	-	-	-	(20,500)	-	(20,500)
At 30 June 2013	45,660,040	804,000	3,900,400	5,178,972	809,725	56,353,137
Accumulated Depreciation						
At 1 July 2012	11,402,815	-	2,739,345	2,697,972	-	16,840,132
Charge for the year	911,814	-	422,475	618,225	-	1,952,514
Disposals	-	-	-	(7,894)	-	(7,894)
At 30 June 2013	12,314,629	-	3,161,820	3,308,303	-	18,784,752
Net book value						
At 30 June 2013	33,345,411	804,000	738,580	1,870,669	809,725	37,568,385
At 1 July 2012	34,217,438	804,000	1,112,701	1,998,453	38,392	38,170,984
Leased assets included in the above						
Net book value						
At 30 June 2013	-	-	30,549	113,340	-	143,889
At 1 July 2012	-	-	67,430	210,489	-	277,919

Freehold land amounting to £804,000 (2012 £804,000) has not been depreciated

11. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries £	Medals £	Total £
Cost and net book value			
At 1 July 2012 and 30 June 2013	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 Details of post year end transactions that occurred in relation to Bolton Whites Hotel Limited have been included in note 22 of the accounts

12. STOCKS

	2013 £	2012 £
Goods for resale	108,634	275,863

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

13. DEBTORS

	2013 £	2012 £
Trade debtors	1,986,787	1,864,253
Debtors arising from player transfers due within one year	566,733	642,272
Amounts owed by group undertakings	3,079,371	3,063,150
Other debtors	161,560	336,070
Prepayments and accrued income	1,988,085	2,781,129
Total debtors due within one year	7,782,536	8,686,874
Total debtors due after one year	550,000	1,100,000

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	1,457,048	1,646,359
Obligations under finance leases	10,406	10,406
Bank overdrafts	3,478,345	2,174,177
Bank loans	5,000,000	5,000,000
Amounts owed to group undertakings	13,580,562	13,243,976
Other taxation and social security	1,506,875	2,958,930
Other creditors	95,713	80,022
Accruals	15,683,269	11,098,207
Creditors arising from player transfers	8,932,489	7,897,240
Deferred income	3,148,473	3,571,215
	52,893,180	47,680,535

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 £184,806 (2012 £174,806)

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

	2013 £	2012 £
Obligations under finance leases	38,159	48,565
Other loans	2,527	2,527
Amounts owed to group undertakings	151,285,346	124,831,503
Creditors arising from player transfers	3,246,727	6,275,359
Accruals	299,772	345,400
Deferred income	5,687,800	5,826,240
	160,560,331	137,329,594

Deferred income consists of grants and other contributions to the cost of the stadium of £5,687,800 (2012 £5,825,106)

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

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

	2013 £	2012 £
Bank loans, overdrafts and other loans		
On demand or within one year	8,478,345	7,174,177
Between one and two years	2,527	2,527
	8,480,872	7,176,704

	2013 £	2012 £
Finance leases and hire purchase contracts		
On demand or within one year	10,406	10,406
Between one and two years	10,406	10,406
Between two and five years	27,753	38,159
	48,565	58,971

	2013 £	2012 £
Total borrowings including finance leases and hire purchase contracts		
On demand or within one year	8,488,751	7,184,583
Between one and two years	12,933	12,933
Between two and five years	27,753	38,159
	8,529,437	7,235,675

The Group has granted a floating charge to secure bank loans, overdrafts and other loans of £152,807,044 (2012 £124,834,030)

On demand or within one year includes an amount of £nil (2012 £nil)

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

16. PROVISIONS FOR LIABILITIES

	2013 £'000
Onerous contracts	
At 1 July 2012	-
Charged to profit and loss account	2,695,531
At 30 June 2013	2,695,531

This provision relates to onerous contracts representing the difference between the salaries paid by the Company and the salaries recovered for players who at the balance sheet date were either not able to fulfil their contractual obligations or the directors were willing to loan out and subsequently have gone on loan It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within two years of the balance sheet date The value of the provision is net of any amounts the Directors deem recoverable

16. PROVISIONS FOR LIABILITIES (continued)

Deferred Tax

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

	2013 £	2012 £
Accelerated capital allowances	(538,405)	(348,947)
Other timing differences	98,909	649,863
Tax losses	(27,733,418)	(23,132,804)
	(28,172,914)	(22,831,888)

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

17. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised		
4,000 special ordinary shares of £1 each	4,000	4,000
40,000 ordinary shares of £3 each	120,000	120,000
	124,000	124,000
Called up, allotted and fully paid		
3,750 special ordinary shares of £1 each	3,750	3,750
40,000 ordinary shares of £3 each	120,000	120,000
	123,750	123,750

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

18. RESERVES

	2013 £	2012 £
Profit and loss account	(166,685,459)	(115,935,936)
Share premium account	206,626	206,626
Capital reserve	31,418	31,418
Other reserves	25,347	25,347
	(166,422,068)	(115,672,545)

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 2012	206,626	31,418	25,347	(115,935,936)	(115,672,545)
Loss for the year	-	-	-	(50,749,523)	(50,749,523)
At 30 June 2013	206,626	31,418	25,347	(166,685,459)	(166,422,068)

19 FINANCIAL COMMITMENTS

a) *Capital commitments*

	2013 £	2012 £
Contracted for but not provided	22,755	154,545

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 2013 is £2,084,383 (2012 £1,777,847)

c) *Pension commitments*

The pension cost charge for the year was £154,699 (2012 £497,929)

20. RELATED PARTY TRANSACTIONS

At the year end amounts owed to Bolton Wanderers Football and Athletic Company Limited from its subsidiary undertaking amounted to £67,974 (2012 £101,368)

At the year end amounts owed from Bolton Wanderers Football and Athletic Company Limited to its subsidiary undertaking amounted to £34,867 (2012 £84,482)

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 £11,432 (2012 £20,762)

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 £11,432 (2012 £nil)

At the year end Bolton Wanderers Football and Athletic Company Limited owed £2,832,474 (2012 £2,832,474) 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 £6,940,026 (2012 £5,517,000) in respect of interest, arrangement and guarantee fees

During the year Bolton Wanderers Development Association (Chorley) Ltd donated £431,405 (2012 £439,374) 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 £407,501 (2012 £416,766) by Bolton Wanderers Development Association (Chorley) Ltd

As a subsidiary undertaking of Burnden Leisure Limited (formerly 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 Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2013

21. SUBSEQUENT EVENTS

Funding

From 1 July 2013 the interest charged by Moonshift Investments Limited to Burnden Leisure Limited (formerly Burnden Leisure plc) on loan facilities provided by it will be 0% This loan is onward lent to the Company

Player Registrations

Since the balance sheet date the Club has acquired players' registrations for a cost of £4,367,675 and will receive £738,265 for the transfer of players registration

Bolton Whites Hotel Limited

On 6 August 2013, the shareholding of the Bolton Whites Hotel Limited, a joint venture of the Company, changed following the refinancing of the Bolton Whites Hotel Limited loan facility with the Royal Bank of Scotland

On 6 August 2013, De Vere Venues Properties Limited sold its shareholding of 749,999 ordinary shares, 750,000 preference shares and 2,155,501 redeemable preference shares to the Company Bolton Whites Hotel Limited is now a 100% subsidiary of the Company

All preference shares and redeemable preference shares including those previously held by the Company have subsequently been converted to ordinary shares

De Vere Group have agreed that the amounts owed to it by Bolton Whites Hotel Limited equivalent to the amount owed by Bolton Whites Hotel Limited to the Company will not be recovered

22. ULTIMATE PARENT COMPANY

The directors regard Burnden Leisure Limited (formerly Burnden Leisure plc), a Company incorporated in England, as the ultimate parent and controlling Company The ultimate controlling party of Burnden Leisure Limited 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 Limited 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