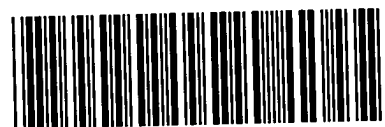


**BOLTON WANDERERS FOOTBALL &  
ATHLETIC COMPANY LIMITED**

**Annual Report and Financial Statements**

**for the year ended 30 June 2014**

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

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2014**

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

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

P A Gartside  
B Cooper  
W B Warburton  
A Massey  
R Gee

### **SECRETARY**

A Massey

### **REGISTERED OFFICE**

Macron Stadium  
Burnden Way  
Lostock  
Bolton  
BL6 6JW

### **BANKERS**

Barclays Bank plc  
Market Street  
Bolton  
BL1 1XA

### **AUDITOR**

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
Manchester  
United Kingdom

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## STRATEGIC REPORT

The directors, in preparing this Strategic Report, have complied with s414c of the Companies Act 2006.

### 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 £2,093,258 due to an increase in parachute payments resulting from increase in available Premier League funds. Cost of sales decreased from £63,819,273 to £33,650,581 mainly due to a reduction in player wage costs. Prior year costs also included an impairment charge of £11,220,679 as noted below. Administrative expenses decreased by £993,855 on the prior year to £7,597,078, with the prior year including restructuring costs. Loss on ordinary activities before taxation reduced by £41,613,371 over the prior year to £9,136,152 (2013: £50,749,523). Profit on the transfer of player registrations was £1,190,993 in the year (2013: £16,951).

Once again the Football Club made changes to the playing squad with £1,975,109 (2013: £4,016,704) of additions during the year with the net book value of intangible assets increasing to £3,450,484 as at 30 June 2014 (2013: £1,655,970). Prior year included an impairment loss of £11,220,679 against the carrying value of the playing squad. A review of the carrying value of the playing squad has been completed at 30 June 2014, which has identified no further impairment of player contracts.

Net current liabilities have reduced by £5,337,657 over the previous year to £39,643,375. Provisions for liabilities were included in the prior year at £2,695,531 which have subsequently been utilised in the year ended 30 June 2014. Creditors more than one year have increased £17,423,445 to £177,983,776 which reflects the increase in Moonshift Investments Limited funding.

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. 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 for consideration of £1, hence Bolton Whites Hotel Limited became a 100% subsidiary of the Company.

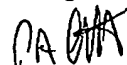
The Board acknowledges there are risks which affect the Company and seeks to minimise these risks wherever possible. These risks are reviewed regularly through the Company's management and planning processes. The primary risk is around funding and ongoing reliance on the Group's ultimate beneficial owner, Fildraw Private Trust Limited. This risk is mitigated through continual and regular provision of information and dialogue with Fildraw Private Trust Limited. 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	£ 30,642,186	(2013: £28,548,928)
• Loss levels		
• gross	£3,008,395 loss	(2013: £35,270,345 loss)
• net	£9,136,152 loss	(2013: £50,749,523 loss)
• Staff costs	£27,551,318	(2013: £36,518,162)
• Average attendance levels	16,139	(2013: 18,093)
• Average ticket prices	£8.41	(2013: £8.15)
• Levels of net debt	£182,061,425	(2013: £159,833,954)

The Board monitors these on a monthly basis.

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

  
P Gartside

Director

1 December 2014

# **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 2014.

### **GOING CONCERN**

The Company is currently dependent on funding from Moonshift Investments Limited, an associated company of its ultimate beneficial owner, Fildraw Private Trust Limited. In determining the appropriate basis of preparation of this Report and Financial Statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of this report.

The Company meets its day to day working capital requirements with a combination of a £170 million long term loan and a £4 million short term bridging loan from Moonshift Investments Limited, and a short term working capital facility provided by Barclays Bank plc. The ultimate beneficial owner has indicated that there is no intention to recall the loan amounts for at least 12 months from the date of signing of this report.

The facilities with Barclays Bank plc, consist of a reducing overdraft facility of £5 million, and are due for renewal in June 2015. 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 at a reduced level although at this time formal negotiations have not been initiated.

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 under a number of different scenarios. After having taken into account a range of possible outcomes arising from on-pitch performance, the forecasts and projections adopted as a basis for going concern show a further funding requirement in excess of the current level of funding facilities immediately available to the Directors. Therefore, the Directors acknowledge a material uncertainty in the event that the Company's ultimate beneficial owner becomes unwilling at any time to continue to provide funding support to the business to the general level that it has done so for many years.

Accordingly, the Directors have identified a number of management initiatives that can be pursued with confidence to mitigate any potential funding shortfall. Options available to the Directors include, but are not limited to, the sale of players and other business assets, the securitisation of future season ticket sales, deferral of discretionary capital expenditure, and the release of value from the Group's development land bank through sale or joint venture agreement. The Directors are also in advanced discussions in regard to a number of additional funding options, although at the time of the approval of these Financial Statements, these funding proposals do not represent legally binding offers.

After making all necessary inquiries and properly considering the matters which are described in this Report & Financial Statements, the Directors have concluded that, despite the material uncertainty facing the business as described above, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements. The results in these financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

### **RESULTS AND DISTRIBUTIONS**

The Company's loss for the year before taxation was £9,136,152 (2013: £50,749,523).

No dividend can be paid (2013: same). The retained loss of £9,136,152 (2013: £50,749,523) has been withdrawn from reserves.

### **POST BALANCE SHEET EVENTS**

Subsequent events are disclosed in note 21.

**DIRECTORS' REPORT (continued)**

**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 in August 2014 and again retained the Investor in People status held since 2005.

**DIRECTORS AND THEIR INTERESTS**

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

P.A. Gartside, A Massey, R Gee, B Cooper and W.B. Warburton are directors of the ultimate parent company, Burnden Leisure Limited, and their interests are disclosed in the financial statements of that company.

**FIXED ASSETS**

At the balance sheet date, an amount of £3,450,483 (2013: £1,655,970) is carried forward in intangible fixed assets, representing the unamortised cost of players' registrations.

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 he ought to have taken as a director to make himself 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.

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



P Gartside  
Director  
1 December 2014

## **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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

### **Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The disclosure notes a material uncertainty in the event that the Company's ultimate beneficial owner becomes unwilling at any time to continue to provide funding support to the business to the general level that it has done so for many years. This condition, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and The Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

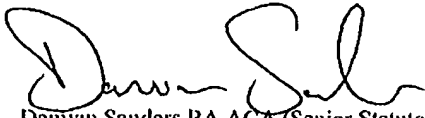


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED (continued)**

**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

1 December 2014

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 June 2014

		30 June 2014			30 June 2013
		Operations excluding player trading £	Player Trading £	Total £	£
	Note				
<b>TURNOVER</b>	2	30,642,186	-	30,642,186	28,548,928
Cost of sales		(33,530,853)	(119,728)	(33,650,581)	(63,819,273)
<b>GROSS LOSS</b>		(2,888,667)	(119,728)	(3,008,395)	(35,270,345)
Administrative expenses		(7,299,206)	-	(7,299,206)	(8,590,933)
<b>OPERATING LOSS</b>		(10,187,873)	(119,728)	(10,307,601)	(43,861,278)
Profit on transfer of players' registrations	3	-	1,190,993	1,190,993	16,951
(Loss)/profit on disposal of tangible fixed assets	6	(12,982)	-	(12,982)	2,594
Investment income	4	353,224	-	353,224	431,405
Finance charges	5	(359,786)	-	(359,786)	(7,339,195)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	(10,207,417)	1,071,265	(9,136,152)	(50,749,523)
Tax on (loss)/profit on ordinary activities	7	-	-	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	18	(10,207,417)	1,071,265	(9,136,152)	(50,749,523)

Player trading consists of the amortisation of the costs of acquiring player registrations, 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.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## BALANCE SHEET As at 30 June 2014

	Note	30 June 2014 £	30 June 2013 £
<b>FIXED ASSETS</b>			
Intangible assets	9	3,450,484	1,655,970
Tangible assets	10	36,377,975	37,568,385
Investments	11	2,164,222	2,164,221
		<u>41,992,681</u>	<u>41,388,576</u>
<b>CURRENT ASSETS</b>			
Stocks	12	73,176	108,634
Debtors	13	9,059,442	7,782,536
Cash at bank and in hand		15,271	20,978
		<u>9,147,889</u>	<u>7,912,148</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(48,791,264)</u>	<u>(52,893,180)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(39,643,375)</u>	<u>(44,981,032)</u>
<b>NON CURRENT ASSETS</b>			
Debtors: amounts falling due after more than one year	13	200,000	550,000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,549,306	(3,042,456)
<b>CREDITORS: amounts falling due after more than one year</b>	15	(177,983,776)	(160,560,331)
<b>PROVISIONS FOR LIABILITIES</b>	16	-	(2,695,531)
<b>NET LIABILITIES</b>		<u>(175,434,470)</u>	<u>(166,298,318)</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	(175,821,611)	(166,685,459)
<b>SHAREHOLDER'S DEFICIT</b>		<u>(175,434,470)</u>	<u>(166,298,318)</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 1 December 2014.

Signed on behalf of the Board of Directors

  
P Gartside

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 2014**

### **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**

The Company is currently dependent on funding from its ultimate beneficial owner, Fildraw Private Trust Limited. In determining the appropriate basis of preparation of this Report and Financial Statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of this report.

The Company meets its day to day working capital requirements with a combination of a £170 million long term loan and a £4 million short term bridging loan from Moonshift Investments Limited, and a short term working capital facility provided by Barclays Bank plc. The ultimate beneficial owner has indicated that there is no intention to recall the loan amounts for at least 12 months from the date of signing of this report.

The facilities with Barclays Bank plc, consist of a reducing overdraft facility of £5 million, are due for renewal in June 2015. 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 at a reduced level although at this time formal negotiations have not been initiated.

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 under a number of different scenarios. After having taken into account a range of possible outcomes arising from on-pitch performance, the forecasts and projections adopted as a basis for going concern show a further funding requirement in excess of the current level of funding facilities immediately available to the Directors. Therefore, the Directors acknowledge a material uncertainty in the event that the Company's ultimate beneficial owner becomes unwilling at any time to continue to provide funding support to the business to the general level that it has done so for many years.

Accordingly, the Directors have identified a number of management initiatives that can be pursued with confidence to mitigate any potential funding shortfall. Options available to the Directors include, but are not limited to, the sale of players and other business assets, the securitisation of future season ticket sales, deferral of discretionary capital expenditure, and the release of value from the Group's development land bank through sale or joint venture agreement. The Directors are also in advanced discussions in regard to a number of additional funding options, although at the time of the approval of these Financial Statements, these funding proposals do not represent legally binding offers.

After making all necessary inquiries and properly considering the matters which are described in this Report and Financial Statements, the Directors have concluded that, despite the material uncertainty facing the business as described above, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements. The results in these financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

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

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

**Year ended 30 June 2014**

### **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.

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

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

**Year ended 30 June 2014**

### **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.

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

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

**Year ended 30 June 2014**

### **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**

	2014 £	2013 £
Interest receivable and similar income	353,224	431,405

### **5. FINANCE CHARGES**

	2014 £	2013 £
Intercompany loans	28,493	6,940,026
Bank loans, overdrafts and other loans	327,280	388,996
Finance leases and hire purchase contracts	4,013	10,173
	359,786	7,339,195

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2014

### 6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £	2013 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	180,595	9,469,742
Impairment of intangible assets	-	11,220,679
Onerous contracts provision	-	2,695,531
Restructuring costs	-	2,323,000
Foreign exchange gains	(60,867)	(7,060)
Depreciation		
Owned assets	1,771,486	1,817,703
Leased assets	127,698	134,811
Amortisation of grants	(184,806)	(177,306)
Loss/(profit) on disposal of tangible fixed assets	12,982	(2,594)
Fees payable to the Company's auditor for the audit of the Company's annual and interim accounts	40,000	49,255
Tax services paid to the Company's auditor	6,867	51,196
Consultancy services paid to the Company's auditor	-	4,031
	<u>                    </u>	<u>                    </u>

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:

	2014 £	2013 £
Loss on ordinary activities before tax	(9,136,152)	(50,749,523)
United Kingdom corporation tax at 22.5% (2013: 23.5%)	(2,055,759)	(11,926,138)
Effects of:		
Expenses not deductible for tax purposes	364,707	1,577,776
Income not deductible for tax purposes	(41,584)	-
Capital allowances in excess of depreciation	107,743	423,602
Other timing differences	-	(11,136)
Tax losses surrendered	-	43,509
Tax losses available to carry forward	1,624,893	10,093,266
Utilisation of non trading deficit brought forward	-	(200,879)
	<u>                    </u>	<u>                    </u>
	-	-

At 30 June 2014, the Company had trading losses to carry forward of £144 million (2013: £139 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 2015, the standard rate of corporation tax in the UK will change to 20%. 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.



# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2014

### 8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2014 No.	2013 No.
<b>Average number of persons employed including directors</b>		
Football players	64	59
Management and administration	170	200
	<u>234</u>	<u>259</u>
	£	£
<b>Their aggregate remuneration comprised</b>		
Salary	23,538,516	32,435,881
Social security costs	3,691,217	3,927,582
Pension costs (see note 19c)	321,585	154,699
	<u>27,551,318</u>	<u>36,518,162</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 £374,756 at 30 June 2014 (2013: £299,272) is included in accruals falling due in more than one year.

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.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2014

### 9. INTANGIBLE FIXED ASSETS

	Player transfer and agents fees £
<b>Cost</b>	
At 1 July 2013	39,287,309
Additions	1,975,109
Disposals	(17,470,898)
At 30 June 2014	<u>23,791,520</u>
<b>Accumulated amortisation</b>	
At 1 July 2013	(37,631,339)
Charge for the year	(180,595)
Disposals	17,470,898
At 30 June 2014	<u>(20,341,036)</u>
<b>Net book value</b>	
At 30 June 2014	<u>3,450,484</u>
At 1 July 2013	<u>1,655,970</u>

### 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 2013	45,660,040	804,000	3,900,400	5,178,972	809,725	56,353,137
Additions	112,685	-	360,939	177,252	70,880	721,756
Disposals	-	-	(22,735)	(116,406)	-	(139,141)
At 30 June 2014	<u>45,772,725</u>	<u>804,000</u>	<u>4,238,604</u>	<u>5,239,818</u>	<u>880,605</u>	<u>56,935,752</u>
<b>Accumulated depreciation</b>						
At 1 July 2013	12,314,629	-	3,161,820	3,308,303	-	18,784,752
Charge for the year	912,665	-	381,423	605,096	-	1,899,184
Disposals	-	-	(17,506)	(108,653)	-	(126,159)
At 30 June 2014	<u>13,227,294</u>	<u>-</u>	<u>3,525,737</u>	<u>3,804,746</u>	<u>-</u>	<u>20,557,777</u>
<b>Net book value</b>						
At 30 June 2014	<u>32,545,431</u>	<u>804,000</u>	<u>712,867</u>	<u>1,435,072</u>	<u>880,605</u>	<u>36,377,975</u>
At 1 July 2013	<u>33,345,411</u>	<u>804,000</u>	<u>738,580</u>	<u>1,870,669</u>	<u>809,725</u>	<u>37,568,385</u>
Leased assets included in the above:						
<b>Net book value</b>						
At 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,191</u>	<u>-</u>	<u>16,191</u>
At 1 July 2013	<u>-</u>	<u>-</u>	<u>30,549</u>	<u>113,340</u>	<u>-</u>	<u>143,889</u>

Freehold land amounting to £804,000 (2013: £804,000) has not been depreciated.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2014

### 11. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries £	Medals £	Total £
<b>Cost and net book value</b>			
At 1 July 2013	2,150,000	14,221	2,164,221
Additional Shares in Bolton Whites Hotel	1	-	1
	<u>2,150,001</u>	<u>14,221</u>	<u>2,164,222</u>
At 30 June 2014	<u>2,150,001</u>	<u>14,221</u>	<u>2,164,222</u>

On 6 August 2013, the Company acquired the remaining share capital of Bolton Whites Hotel Limited, a joint venture of the Company for consideration of £1. At this date, Bolton Whites Hotel Limited became a 100% subsidiary of the Company.

The Company has two wholly owned subsidiary undertakings, incorporated in England and Wales, being Bolton Sports Village Limited, a dormant company, and Bolton Whites Hotel Limited. The principal activity of Bolton Whites Hotel Limited is the provision of hotel and catering services.

### 12. STOCKS

	2014 £	2013 £
Goods for resale	<u>73,716</u>	<u>108,634</u>

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

### 13. DEBTORS

	2014 £	2013 £
Trade debtors	2,506,927	1,986,787
Debtors arising from player transfers due within one year	300,000	566,733
Amounts owed by group undertakings	3,669,582	3,079,371
Other debtors	287,072	161,560
Prepayments and accrued income	2,295,861	1,988,085
	<u>9,059,442</u>	<u>7,782,536</u>
Total debtors due within one year	<u>9,059,442</u>	<u>7,782,536</u>
Total debtors due after one year	<u>200,000</u>	<u>550,000</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2014

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

	2014 £	2013 £
Trade creditors	2,485,165	1,457,048
Obligations under finance leases	10,406	10,406
Bank overdrafts	4,715,934	3,478,345
Bank loans	3,000,000	5,000,000
Amounts owed to group undertakings	16,533,881	13,580,562
Other taxation and social security	1,868,214	1,506,875
Other creditors	110,636	95,713
Accruals	14,572,729	15,683,269
Creditors arising from player transfers	2,236,275	8,932,489
Deferred income	3,258,024	3,148,473
	<u>48,791,264</u>	<u>52,893,180</u>

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 £290,853 (2013: £184,806 ).

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

	2014 £	2013 £
Obligations under finance leases	28,041	38,159
Other loans	2,527	2,527
Amounts owed to group undertakings	170,304,517	151,285,346
Creditors arising from player transfers	1,770,941	3,246,727
Accruals	374,756	299,772
Deferred income	5,502,994	5,687,800
	<u>177,983,776</u>	<u>160,560,331</u>

Deferred income consists of grants and other contributions to the cost of the stadium of £5,502,994 (2013: £5,687,800).

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

	2014 £	2013 £
<b>Bank loans, overdrafts and other loans</b>		
On demand or within one year	7,715,934	8,478,345
Between one and two years	2,527	2,527
	<u>7,718,461</u>	<u>8,480,872</u>
	<b>2014 £</b>	<b>2013 £</b>
<b>Finance leases and hire purchase contracts</b>		
On demand or within one year	10,406	10,406
Between one and two years	10,406	10,406
Between two and five years	17,635	27,753
	<u>38,447</u>	<u>48,565</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2014

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

	2014 £	2013 £
<b>Total borrowings including finance leases and hire purchase contracts</b>		
On demand or within one year	7,726,340	8,488,751
Between one and two years	12,933	12,933
Between two and five years	17,635	27,753
	<u>7,756,908</u>	<u>8,529,437</u>

The Group has granted a floating charge to secure bank loans, overdrafts and other loans of £174,307,044 (2013: £152,807,044).

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

### 16. PROVISIONS FOR LIABILITIES

	2014 £
<b>Onerous contracts</b>	
At 1 July 2013	2,695,531
Utilised in the year	<u>(2,695,531)</u>
At 30 June 2014	<u>-</u>

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. During the year ended 30 June 2014 the provision has been fully utilised.

#### Deferred tax

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

	2014 £	2013 £
Accelerated capital allowances	(658,217)	(538,405)
Other timing differences	(59,944)	98,909
Tax losses	<u>(28,807,599)</u>	<u>(27,733,418)</u>
	<u>(29,525,760)</u>	<u>(28,172,914)</u>

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

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2014

### 17. CALLED-UP SHARE CAPITAL

	2014 £	2013 £
<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

	2014 £	2013 £
Profit and loss account	(175,821,611)	(166,685,459)
Share premium account	206,626	206,626
Capital reserve	31,418	31,418
Other reserves	25,347	25,347
	<u>(175,558,220)</u>	<u>(166,422,068)</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 2013	206,626	31,418	25,347	(166,685,459)	(166,422,068)
Loss for the year	-	-	-	(9,136,152)	(9,136,152)
At 30 June 2014	<u>206,626</u>	<u>31,418</u>	<u>25,347</u>	<u>(175,821,611)</u>	<u>(175,558,220)</u>

### 19. FINANCIAL COMMITMENTS

#### a) Capital commitments

	2014 £	2013 £
Contracted for but not provided	<u>45,846</u>	<u>22,755</u>

#### 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 2014 is £4,220,453 (2013: £2,084,383).

#### c) Pension commitments

The pension cost charge for the year was £321,585 (2013: £154,699). At 30 June 2014 there was an accrual of £81,891 in respect of contributions not paid over to the schemes' managers (2013: £2,179).

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

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

**Year ended 30 June 2014**

### **20. RELATED PARTY TRANSACTIONS**

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 £6,900 (2013: £11,432).

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 £8,200 (2013: £11,432). Following the year end date, all outstanding amounts have been settled.

At the year end Bolton Wanderers Football and Athletic Company Limited owed £2,832,474 (2013: £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 £128,493 (2013: £6,940,026) in respect of interest, arrangement and guarantee fees.

During the year Bolton Wanderers Development Association (Chorley) Ltd donated £353,224 (2013: £431,405) 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 £401,400 (2013: £407,501) 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.

### **21. SUBSEQUENT EVENTS**

#### **Player Registrations**

Since the balance sheet date the Club has acquired players' registrations for a cost of £1,777,474 and will receive £876,645 for the transfer of players registration.

On 3 October 2014 several members of the football management team, including the 1st team manager, left their positions of Bolton Wanderers and Athletic Company Limited. No additional liabilities arose in the year ended 30 June 2014 as a result of these changes.

On 12 October 2014 a new football management team was appointed.

### **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 Macron Stadium, Burnden Way, Lostock, Bolton, BL6 6JW.