

Bolton Wanderers Football & Athletic Company Limited

Annual report and financial statements
for the year ended 30 June 2002

Registered number: 00043026



Directors' report

For the year ended 30 June 2002

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 June 2002.

Principal activity and business review

The principal activity of the company continues to be that of a professional football club. The directors expect that the performance of the company will improve in future years.

Results and dividends

The audited financial statements for the year ended 30 June 2002 are set out on pages 6 to 19. The profit for the year was £305,770 (2001 – loss £6,507,681).

No dividend can be paid (2001 - £nil).

Directors and their interests

The directors who served during the year were as follows.

I. Currie
E. Davies
P.A. Gartside
D. McBain
G. Seymour
D. Speakman (resigned 11 December 2001)
G. Warburton
W.B. Warburton

The directors who held office at 30 June 2002 had the following interests in the shares of the parent undertaking of the company, Burnden Leisure plc.

Name of director	Burnden Leisure plc ordinary shares of 5p each	
	30 June 2002	30 June 2001
D. McBain	14,755	14,755
G. Seymour	283,750	283,750
G. Warburton	283,750	283,750

Directors' report (continued)

Directors and their interests (continued)

I. Currie, E. Davies, P.A. Gartside and W.B. Warburton are directors of the parent company and their share interests are disclosed in the financial statements of that company.

The directors do not have any other interests in the shares of group companies required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

Arthur Andersen resigned as auditors on 31 July 2002. The directors appointed Deloitte & Touche to fill the casual vacancy and will place a resolution before the annual general meeting to reappoint Deloitte & Touche as auditors for the ensuing year.

Reebok Stadium
Burnden Way
Lostock
Bolton
BL6 6JW

By order of the Board,



L. Entwistle
Secretary

11 April 2003

Directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 year. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 proper accounting records which 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 1985. 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 auditors' report**To the members of Bolton Wanderers Football and Athletic Company Limited**

We have audited the financial statements of Bolton Wanderers Football & Athletic Company Limited for the year ended 30 June 2002 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet, and the related notes numbered 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 June 2002 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche**

Chartered Accountants and Registered Auditors
Manchester

2 May 2003

Profit and loss account

For the year ended 30 June 2002

	Notes	2002 £	2001 £
Turnover	2	31,121,254	10,666,122
Cost of sales		<u>(26,074,873)</u>	<u>(19,381,348)</u>
Gross profit (loss)		5,046,381	(8,715,226)
Administrative expenses		<u>(3,682,593)</u>	<u>(2,981,966)</u>
Operating profit (loss)		1,363,788	(11,697,192)
Profit on transfer of player registrations	3	75,000	6,709,893
Investment income	4	348,646	272,297
Finance charges	5	<u>(1,481,664)</u>	<u>(1,792,679)</u>
Profit (loss) on ordinary activities before taxation	6	305,770	(6,507,681)
Tax on profit (loss) on ordinary activities	7	<u>-</u>	<u>-</u>
Profit (loss) for the financial year transferred to reserves	18	<u>305,770</u>	<u>(6,507,681)</u>

There are no recognised gains or losses in either year other than the profit (loss) for that financial year.

All results relate to continuing operations.

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

Balance sheet

30 June 2002

	Notes	2002 £	2001 £
Fixed assets			
Intangible assets	9	3,301,092	2,246,578
Tangible assets	10	33,574,083	32,630,636
Investments	11	753,122	753,122
		<u>37,628,297</u>	<u>35,630,336</u>
Current assets			
Stocks	12	223,929	94,707
Debtors	13	5,691,945	5,157,222
Cash at bank and in hand		718,182	256,660
		<u>6,634,056</u>	<u>5,508,589</u>
Creditors: Amounts falling due within one year	14	<u>(38,817,741)</u>	<u>(33,860,365)</u>
Net current liabilities		<u>(32,183,685)</u>	<u>(28,351,776)</u>
Total assets less current liabilities		5,444,612	7,278,560
Creditors: Amounts falling due after more than one year	15	<u>(13,940,259)</u>	<u>(16,079,977)</u>
Net liabilities		<u>(8,495,647)</u>	<u>(8,801,417)</u>
Capital and reserves			
Called-up share capital	17	123,750	123,750
Share premium account	18	206,626	206,626
Capital reserve	18	31,418	31,418
Other reserves	18	25,347	25,347
Profit and loss account	18	<u>(8,882,788)</u>	<u>(9,188,558)</u>
Equity shareholder's deficit	19	<u>(8,495,647)</u>	<u>(8,801,417)</u>

The financial statements on pages 6 to 19 were approved by the board of directors on 11 April 2003 and signed on its behalf by:



P.A. Gartside
Chairman

The accompanying notes are an integral part of this balance sheet.

Notes to the financial statements

30 June 2002

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently in the current and the previous year, is set out below:

a) Basis of accounting

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

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 on the basis that it is a wholly owned subsidiary undertaking of Burnden Leisure PLC which prepares 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.

b) Intangible assets – transfer fees

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 player's contract. Profit or loss on the sale of players' registrations is based on transfer fees receivable and the amortised cost of the player and is recognised in the year in which the transfer is made.

c) Signing on fees

Signing on fees are charged against income as they fall due for payment.

d) 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.

Stadium	2% per annum
Fixtures and fittings	15% per annum
Plant, equipment and motor vehicles	10% to 33% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

e) Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

f) 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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

g) 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.

h) 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.

i) 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 substantially 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

j) 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.

k) 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 year. Differences between contributions payable in the year 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 and The Football League Limited Pension and Life Assurance Scheme, both of which are defined contribution schemes. The amount charged to the profit and loss account are the contributions payable in the year.

Notes to the financial statements (continued)

1 Accounting policies (continued)

l) 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.

m) 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 purchases 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.

n) 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 Exceptional items reported after operating profit (loss)

The profit on transfer of player registrations relates to the disposal of certain players' registrations in Bolton Wanderers Football and Athletic Company Limited.

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

	2002 £	2001 £
Donations	326,752	250,354
Other interest receivable and similar income	21,894	21,943
	<u>348,646</u>	<u>272,297</u>

Notes to the financial statements (continued)

5 Finance charges

	2002 £	2001 £
Bank loans and overdrafts	1,374,312	1,685,410
Finance leases and hire purchase contracts	107,352	107,269
	<u>1,481,664</u>	<u>1,792,679</u>

6 Profit (loss) on ordinary activities before taxation

Profit (loss) on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Amortisation of intangible assets	1,616,783	3,849,143
Depreciation and amounts written off tangible fixed assets		
- owned	772,509	826,156
- held under finance leases and hire purchase contracts	134,150	75,000
Operating lease rentals		
- plant and machinery	55,000	55,000
Auditors' remuneration for audit fees	27,000	27,000
Staff costs (see note 8)	<u>18,215,528</u>	<u>11,040,044</u>

7 Tax on profit (loss) on ordinary activities

No current tax charge has arisen during the year due to the offset of losses brought forward from earlier accounting periods. At 30 June 2002, the company had tax losses to carry forward of £16,955,125 (2001 - £17,131,008).

The difference between the total current tax charge of nil and the amount calculated by applying the standard rate of UK corporation tax to the profit (loss) before tax is as follows:

	2002 £	2001 £
Profit (loss) on ordinary activities before tax	<u>305,770</u>	<u>(6,507,681)</u>
Tax on profit (loss) on ordinary activities at standard UK corporation tax rate of 30% (2001 - 30%)	91,731	(1,952,304)
Effects of:		
Expenses not deductible for tax purposes	4,800	781,000
Non taxable items	(155,310)	(195,000)
Depreciation in excess of capital allowances	115,544	195,000
Tax losses (offset) available to carry forward	<u>(52,765)</u>	<u>1,171,304</u>
Current tax charge for year	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

8 Staff costs

The average monthly number of persons employed (including executive directors) by the company during the year was as follows:

	2002 Number	2001 Number
Football players	55	51
Management and administration	105	86
	<u>160</u>	<u>137</u>

	2002 £	2001 £
Their aggregate remuneration comprised:		
Wages and salaries	16,346,052	9,680,477
Social security costs	1,678,569	1,035,301
Other pension costs (note 20d)	190,907	324,266
	<u>18,215,528</u>	<u>11,040,044</u>

The directors received no remuneration for their services during the year (2001 - £nil).

9 Intangible fixed assets – transfer fees

	£
Cost	
At 1 July 2001	12,806,666
Additions	2,671,297
Disposals	(3,084,417)
At 30 June 2002	<u>12,393,546</u>
Amortisation	
At 1 July 2001	10,560,088
Charge for the year	1,616,783
Disposals	(3,084,417)
At 30 June 2002	<u>9,092,454</u>
Net book value	
At 1 July 2001	<u>2,246,578</u>
At 30 June 2002	<u>3,301,092</u>

Notes to the financial statements (continued)

9 Intangible fixed assets – transfer fees (continued)

At the balance sheet date, an amount of £3.3 million is carried forward in intangible fixed assets, representing the unamortised cost of players' registrations. The directors estimate the current value of the playing squad to be approximately £20 million (2001 - £15 million).

10 Tangible fixed assets

	Stadium £	Freehold land £	Fixtures and fittings £	Motor vehicles £	Plant and equipment £	Assets in the course of construction £	Total £
Cost							
At 1 July 2001	33,243,736	872,521	408,913	94,640	1,523,327	-	36,143,137
Additions	117,516	253,052	240,591	-	898,064	343,367	1,852,590
Disposals	-	-	-	(11,022)	-	-	(11,022)
At 30 June 2002	<u>33,361,252</u>	<u>1,125,573</u>	<u>649,504</u>	<u>83,618</u>	<u>2,421,391</u>	<u>343,367</u>	<u>37,984,705</u>
Depreciation							
At 1 July 2001	2,173,083	-	175,924	80,764	1,082,730	-	3,512,501
Charge for the year	658,717	-	72,005	9,404	166,533	-	906,659
Disposals	-	-	-	(8,538)	-	-	(8,538)
At 30 June 2002	<u>2,831,800</u>	<u>-</u>	<u>247,929</u>	<u>81,630</u>	<u>1,249,263</u>	<u>-</u>	<u>4,410,622</u>
Net book value							
At 1 July 2001	<u>31,070,653</u>	<u>872,521</u>	<u>232,989</u>	<u>13,876</u>	<u>440,597</u>	<u>-</u>	<u>32,630,636</u>
At 30 June 2002	<u>30,529,452</u>	<u>1,125,573</u>	<u>401,575</u>	<u>1,988</u>	<u>1,172,128</u>	<u>343,367</u>	<u>33,574,083</u>
Leased assets included in the above							
Net book value							
At 1 July 2001	<u>3,084,198</u>	<u>-</u>	<u>-</u>	<u>66,387</u>	<u>146,832</u>	<u>-</u>	<u>3,297,417</u>
At 30 June 2002	<u>3,029,130</u>	<u>-</u>	<u>-</u>	<u>1,988</u>	<u>132,149</u>	<u>-</u>	<u>3,163,267</u>

Freehold land amounting to £1,125,573 (2001 - £872,521) has not been depreciated.

Notes to the financial statements (continued)

11 Fixed asset investments

	Subsidiary undertakings £	Medals £	Total £
Net book value and cost			
At 1 July 2001 and 30 June 2002	<u>750,002</u>	<u>3,120</u>	<u>753,122</u>

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 an 80% interest in the ordinary share capital of Bolton Whites Hotel Limited, a company registered in England and Wales. The principal activity of this subsidiary undertaking is the provision of hotel and catering services.

12 Stocks

	2002 £	2001 £
Goods for resale	<u>223,929</u>	<u>94,707</u>

13 Debtors

	2002 £	2001 £
Amounts falling due within one year:		
Trade debtors	1,947,525	1,135,942
Amounts owed by group undertakings	1,670,053	1,414,076
Other debtors	124,036	3,333
Prepayments and accrued income	<u>1,950,331</u>	<u>2,603,871</u>
	<u>5,691,945</u>	<u>5,157,222</u>

Notes to the financial statements (continued)

14 Creditors: Amounts falling due within one year

	2002 £	2001 £
Bank overdrafts	5,239,515	6,110,318
Bank loans	4,857,920	3,500,873
Obligations under finance leases and hire purchase contracts	55,950	842,800
Other loans	1,890,990	1,806,293
Trade creditors	1,708,483	2,346,518
Amounts owed to group undertakings	14,106,595	11,053,058
Other taxes		
- VAT	735,481	85,317
- social security and PAYE	746,034	1,212,339
Other creditors	90,330	14,041
Accruals	5,477,073	2,769,085
Deferred income (see note 15)	3,909,370	4,119,723
	<u>38,817,741</u>	<u>33,860,365</u>

15 Creditors: Amounts falling due after more than one year

	2002 £	2001 £
Bank loans	2,940,400	5,910,245
Obligations under finance leases and hire purchase contracts	24,984	57,509
Other loans	3,940,721	1,366,551
Amounts owed to group undertakings	-	1,500,000
Deferred income	6,919,832	7,074,984
Accrued pension contributions	114,322	170,688
	<u>13,940,259</u>	<u>16,079,977</u>

Deferred income consist of season ticket, sponsorship and other monies which were received prior to the period end but which were in respect of future periods. Also included in deferred income are grants and other contributions to the capital cost of the stadium.

Notes to the financial statements (continued)

15 Creditors: Amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	2002 £	2001 £
Bank loans, overdrafts and other loans		
Between one and two years	1,934,818	1,250,693
Between two and five years	3,905,762	1,895,926
After five years	1,040,541	4,130,177
	<hr/>	<hr/>
	6,881,121	7,276,796
On demand or within one year	11,988,425	11,417,484
	<hr/>	<hr/>
	18,869,546	18,694,280
	<hr/>	<hr/>

The company has granted a fixed and floating charge on its assets to secure bank loans, overdrafts and other loans of £13,678,737 (2001 - £16,269,370).

The interest rate on the bank loans, repayable after five years, are fixed at between 9.0% and 9.79% over the terms of the loans from October 2000 to April 2008.

	2002 £	2001 £
Finance leases and hire purchase contracts		
Between one and two years	24,984	57,509
On demand or within one year	55,950	842,800
	<hr/>	<hr/>
	80,934	900,309
	<hr/>	<hr/>
	2002 £	2001 £
Total borrowings including finance leases and hire purchase contracts		
Between one and two years	1,959,802	1,308,202
Between two and five years	3,905,762	1,895,926
After five years	1,040,541	4,130,177
	<hr/>	<hr/>
	6,906,105	7,334,305
On demand or within one year	12,044,375	12,260,284
	<hr/>	<hr/>
	18,950,480	19,594,589
	<hr/>	<hr/>

Notes to the financial statements (continued)

16 Deferred taxation

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

	2002 £	2001 £
Fixed asset timing differences	29,107	(35,022)
Tax losses available	(5,086,538)	(5,139,302)
	<u>(5,057,431)</u>	<u>(5,174,324)</u>

17 Share capital

	2002 £	2001 £
<i>Authorised</i>		
4,000 special ordinary shares of £1 each	4,000	4,000
40,000 ordinary shares of £3 each	120,000	120,000
	<u>124,000</u>	<u>124,000</u>
<i>Allotted, called-up and fully paid</i>		
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

Of total reserves shown in the company's balance sheet, the following amounts are regarded as distributable or otherwise:

	2002 £	2001 £
Non-distributable		
- profit and loss account	(8,882,788)	(9,188,558)
- share premium account	206,626	206,626
- capital reserve	31,418	31,418
- other reserves	25,347	25,347
	<u>(8,619,397)</u>	<u>(8,925,167)</u>

Notes to the financial statements (continued)

18 Reserves (continued)

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 2001	206,626	31,418	25,347	(9,188,558)	(8,925,167)
Profit for the year	-	-	-	305,770	305,770
At 30 June 2002	<u>206,626</u>	<u>31,418</u>	<u>25,347</u>	<u>(8,882,788)</u>	<u>(8,619,397)</u>

19 Reconciliation of movements in equity shareholder's deficit

	2002 £	2001 £
Profit (loss) for the financial year	305,770	(6,507,681)
Opening equity shareholder's deficit	<u>(8,801,417)</u>	<u>(2,293,736)</u>
Closing equity shareholder's deficit	<u>(8,495,647)</u>	<u>(8,801,417)</u>

20 Guarantees and other financial commitments

a) Capital commitments

At the end of the year, capital commitments were:

	2002 £	2001 £
Contracted for but not provided for	<u>454,000</u>	<u>110,000</u>

A commitment of £454,000 has been made to enhance the training facilities at Euxton and for the installation of a new video spectator information screen.

b) Contingent liabilities

The terms of certain contracts with other football clubs 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 2002 is £980,000 (2001 - £633,000).

c) Annual commitments under non-cancellable operating leases are as follows:

	Plant and machinery	
	2002 £	2001 £
Expiry date		
- between two to five years	<u>15,000</u>	<u>67,000</u>

d) Pension arrangements

The pension cost charge for the year was £190,907 (2001 - £324,266).

Notes to the financial statements (continued)

21 Net liabilities

Under section 123 of the Insolvency Act 1986 a creditor of the company could petition for it to be wound up on the grounds that it has net liabilities of £8,495,647. However, in the opinion of the directors, no adjustments are required to the financial statements which have been drawn up on a going concern basis because the parent company, Burnden Leisure plc, has undertaken to provide such financial support as is necessary to enable the company to meet its liabilities as they fall due.

22 Ultimate controlling party

The directors regard Burnden Leisure plc, a company incorporated in England, as the ultimate parent company and the ultimate controlling party.

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

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