

Company Registration No. 00043026

**BOLTON WANDERERS FOOTBALL &
ATHLETIC COMPANY LIMITED**

Report and Financial Statements

2 July 2006



BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J G Dalzell (resigned 30 June 2006)
E Davies
A Duckworth
P A Gartside
D McBain
P M Mulligan (appointed 1 July 2006)
G Seymour
G Warburton
W B Warburton

SECRETARY

J G Dalzell (resigned 30 June 2006)
P M Mulligan (appointed 1 July 2006)

REGISTERED OFFICE

Reebok Stadium
Burnden Way
Lostock
Bolton
BL6 6JW

BANKERS

The Co-operative Bank plc
1 Balloon Street
Manchester
M60 4EP

SOLICITORS

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
2 Hardman Street
Manchester
M60 2AT

FINANCIAL ADVISERS

Solomon Hare Corporate Finance
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 week period ended 2 July 2006

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

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

This year saw the Football Club achieve yet another milestone it competed in European competition for the first time in its history! The European adventure took the Club to Bulgaria, Turkey, Portugal and France and included some memorable matches at the Reebok Stadium The team progressed to the last 32 of the UEFA Cup and the experience can only be beneficial as the Company continues to develop as a Football Club and a business

Turnover increased by 3% to £46.5m (2005 £45.0m) Average attendances for FA Premier League games fell slightly to 25,200 (2005 26,000), but revenues from UEFA Cup and domestic Cup matches ensured that overall football gate receipts grew by 8% to £9.8m (2005 £9.1m)

Broadcasting Income was £26.6m (2005 £26.8m), a slight fall of 1%, due to this year's 8th place finish in the FA Premier League compared to 6th last year, but mitigated by additional revenues from UEFA Cup and FA Cup matches

Commercial activities continue to contribute well In particular, Corporate Hospitality sales were £2.5m (2005 £2.3m) representing a growth of 9% whilst income from Sponsorships and Advertising increased by 13% to £3.3m (2005 £2.9m) Merchandising and Licensing sales grew by a more modest 2% to achieve £1.7m (2005 £1.7m), supported by increased Royalty revenues from two new shirt launches during what was otherwise a very difficult trading year

Other Football Income also increased significantly by 21% to £2.1m (2005 £1.7m) driven mainly by the Events business (2 stadium bowl concerts by Coldplay, plus an 'Evening with Donny Osmond' and our 'Player of the Year' events, both held in the Premier Suite) Increased rental income from our office development also contributed to this revenue growth

Control of Operating Costs (Cost of Sales) remains important, but needs to be balanced against a need for ongoing improvements in the playing squad Headline Cost of Sales increased by almost 12% to £39.1m (2005 £34.9m), but if increased Player Costs, UEFA Cup costs and non-cash amortisation and depreciation are removed, underlying cost increases were 3%

Football Administration Expenses, including stadium running costs, amounted to £6.7m (2005 £5.8m) These costs have been adversely affected by the significant rise in utility costs and by additional pitch renovation costs in the year

During the past year the Club secured tenure of a forty acre site less than a mile from the Reebok Stadium, which the Company plan to develop into a new Academy This development will be undertaken on a phased basis over the coming years, but it is the Club's intention to bring the new facility into operation from the start of the 2007/08 season This project fully reflects the Club's long term commitment to youth development as a key element in its strategy for Football

Another exciting development during the past year has been the establishment of formal links between Bolton Wanderers and China Superleague side Wuhan FC Over the next few years it is planned to develop this partnership across a number of areas to the benefit of both parties

The past few years have seen the Club enjoy success both on and off the football field, but objectives are regularly updated to aim higher It is essential that the Club works within its means as a business, but just as important that challenging targets continue to be set

It is becoming increasingly difficult to secure adequate growth from the more traditional income streams and so the Club is currently developing a new sponsorship strategy that will enable it to exploit and grow new opportunities such as overseas broadcasting to the ultimate benefit of Football The Club is already enjoying close relationships with its two key strategic partners, Reebok and De Vere Group, and it looks forward to developing new strategic relationships in the future

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT

The Club's top priority is to develop Bolton Wanderers into an established and successful Premiership Club, but it is important to develop its commercial and other business activities as well, in order to provide the means to achieve its football objectives

The Board acknowledge there are risks which affect the company and seek to minimise these risks wherever possible. These risks are reviewed regularly through the company's management and planning processes. The primary risk, in the core activity of football, is related to the uncertainty of on-the-field performance. Ongoing investment in the playing squad aims to reduce this performance risk but the Board acknowledge 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 company's professional advisers and through regular meetings with the FA Premier League, these include administration, secretarial, financial, commercial and health and safety issues.

RESULTS AND DIVIDENDS

The company's profit for the period before taxation was £34,255 (53 weeks ended 3 July 2005 - £3,489,582). No dividend can be paid (53 weeks ended 3 July 2005 - £nil). The directors consider that the future prospects of the company are positive.

POST BALANCE SHEET EVENTS

Subsequent events are disclosed in note 22.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. All directors served throughout the period with the exception of J G Dalzell who resigned as director and secretary on 30 June 2006. P M Mulligan was appointed as director and secretary on 1 July 2006.

The directors who held office at 2 July 2006 had the following interests in the shares of the ultimate parent company, Burnden Leisure plc:

	Ordinary shares of £1 each	
	2 July 2006 No.	3 July 2005 No.
D McBan	14,755	14,755
G Seymour	283,750	283,750
G Warburton	283,750	283,750

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

The 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.

FIXED ASSETS

At the balance sheet date, an amount of £6.5 million (3 July 2005 - £1.1 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 £36 million (3 July 2005 - £24 million).

INFORMATION GIVEN TO AUDITORS

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 auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint Deloitte & Touche 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



A Duckworth
Director
26 April 2007

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the directors to prepare such 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 period and comply with UK GAAP and the Companies Act 1985. In preparing these 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 & ATHLETIC COMPANY LIMITED

We have audited the financial statements of Bolton Wanderers Football & Athletic Company Limited for the 52 weeks ended 2 July 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' deficit, the balance sheet and the related notes 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual 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. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

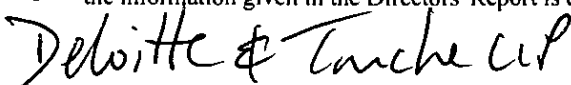
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 company's circumstances, 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 2 July 2006 and of its profit for the 52 week period then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
26 April 2007

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

PROFIT AND LOSS ACCOUNT 52 week period ended 2 July 2006

	Note	<u>52 weeks ended 2 July 2006</u>			53 weeks ended 3 July 2005
		Operations excluding player trading	Player Trading	Total	
		£	£	£	£
TURNOVER	2	46,517,838	-	46,517,838	44,969,785
Cost of sales		(36,902,369)	(2,223,353)	(39,125,722)	(34,920,110)
GROSS PROFIT/(LOSS)		9,615,469	(2,223,353)	7,392,116	10,049,675
Administrative expenses		(6,703,674)	-	(6,703,674)	(5,820,291)
OPERATING PROFIT/(LOSS)		2,911,795	(2,223,353)	688,442	4,229,384
Profit on transfer of players' registrations	3	-	351,999	351,999	300,434
Loss on disposal of tangible fixed assets	6	(38,318)	-	(38,318)	-
Investment income	4	618,838	-	618,838	664,718
Finance charges	5	(1,586,706)	-	(1,586,706)	(1,704,954)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	1,905,609	(1,871,354)	34,255	3,489,582
Tax on profit on ordinary activities	7	(15,565)	-	(15,565)	(19,000)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD	18	1,890,044	(1,871,354)	18,690	3,470,582
Retained loss brought forward				(8,027,460)	(11,498,042)
Retained loss carried forward				(8,008,770)	(8,027,460)

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

All results relate to continuing operations

There are no recognised gains or losses other than those reported above for the current and previous period, 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

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

52 week period ended 2 July 2006

	52 weeks ended 2 July 2006 £	53 weeks ended 3 July 2005 £
Profit for the financial period	18,690	3,470,582
Net reduction in shareholders' deficit	18,690	3,470,582
Opening shareholders' deficit	<u>(7,640,319)</u>	<u>(11,110,901)</u>
Closing shareholders' deficit	<u><u>(7,621,629)</u></u>	<u><u>(7,640,319)</u></u>

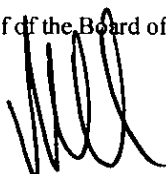
BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

BALANCE SHEET 2 July 2006

	Note	2 July 2006 £	3 July 2005 £
FIXED ASSETS			
Intangible assets	9	6,511,491	1,114,052
Tangible assets	10	39,469,812	39,126,372
Investments	11	2,164,221	2,164,221
		48,145,524	42,404,645
CURRENT ASSETS			
Stocks	12	495,771	318,517
Debtors	13	5,417,430	5,703,285
Cash at bank and in hand		246,845	546,913
		6,160,046	6,568,715
CREDITORS amounts falling due within one year	14	(51,589,694)	(45,312,693)
NET CURRENT LIABILITIES		(45,429,648)	(38,743,978)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,715,876	3,660,667
CREDITORS: amounts falling due after more than one year	15	(10,337,505)	(11,300,986)
NET LIABILITIES		(7,621,629)	(7,640,319)
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	(8,008,770)	(8,027,460)
EQUITY SHAREHOLDERS' DEFICIT		(7,621,629)	(7,640,319)

These financial statements were approved by the Board of Directors on 26 April 2007

Signed on behalf of the Board of Directors



A Duckworth

Director

The accompanying notes are an integral part of this balance sheet

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 2 July 2006

1 ACCOUNTING POLICIES

The particular accounting policies adopted are described below

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

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

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

Stadium	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

52 week period ended 2 July 2006

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 the services are provided and matches and events take place

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 and The Football League Limited Pension and Life Assurance Scheme, both of which are defined contribution schemes. The amounts charged to the profit and loss account are the contributions payable in the period

Foreign currencies

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

Leases and hire purchase obligations

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

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

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 2 July 2006

2. TURNOVER

Turnover arose entirely from football activities in the United Kingdom

3 ITEMS REPORTED AFTER OPERATING PROFIT

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

	52 weeks ended 2 July 2006 £	53 weeks ended 3 July 2005 £
Interest receivable and similar income	618,838	664,718
	618,838	664,718

5. FINANCE CHARGES

	52 weeks ended 2 July 2006 £	53 weeks ended 3 July 2005 £
Bank loans, overdrafts and other loans	1,586,166	1,701,153
Finance leases and hire purchase contracts	540	3,801
	1,586,706	1,704,954

6 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	52 weeks ended 2 July 2006 £	53 weeks ended 3 July 2005 £
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	2,223,353	1,668,791
Depreciation		
Owned assets	1,402,607	1,035,232
Leased assets	18,501	100,876
Amortisation of grants	(184,822)	(168,950)
Loss on disposal of tangible fixed assets	38,318	-
Rentals under operating leases		
Hire of plant and machinery	-	3,000
Auditors' remuneration	30,591	22,012
	30,591	22,012

No non-audit services were provided (53 weeks ended 3 July 2005 - £nil)

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 2 July 2006 £	53 weeks ended 3 July 2005 £
Current tax		
United Kingdom corporation tax 30% (2005 – 30%)	-	19,000
Overseas tax	15,565	-
	<u>15,565</u>	<u>19,000</u>

Factors affecting the tax charge for the period

The difference between the tax charge of £15,565 and the amount calculated by applying the standard rate of corporation tax is as follows

	52 weeks ended 2 July 2006 £	53 weeks ended 3 July 2005 £
Profit on ordinary activities before tax	<u>34,255</u>	<u>3,489,582</u>
United Kingdom corporation tax at 30% (2005 – 30%)	10,277	1,046,875
Effects of		
Expenses not deductible for tax purposes	508,118	63,663
Non-taxable items	(245,766)	(250,100)
Capital allowances in excess of depreciation	(315,601)	330,420
Utilisation of tax losses	-	(1,023,285)
Consortium relief claimed	-	(137,573)
Small companies rate of corporation tax	-	(11,000)
Group relief surrendered	42,972	-
Overseas tax	15,565	-
	<u>15,565</u>	<u>19,000</u>

At 2 July 2006, the company had trading losses to carry forward of £21 million (3 July 2005 - £22 million)

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Fees in respect of P A Gartside were paid to Arley Partnership LLP of which he is a member (see note 21)

	52 weeks ended 2 July 2006 No	53 weeks ended 3 July 2005 No
Average number of persons employed		
Football players	47	45
Management and administration	144	140
	<u>191</u>	<u>185</u>
Staff costs during the period	£	£
Wages and salaries	24,555,669	21,781,355
Social security costs	3,096,802	2,817,739
Pension costs (see note 19c)	280,650	279,017
	<u>27,933,121</u>	<u>24,878,111</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. The latest, provisional allocation notified in 2006 was £101,264, which is now being repaid at £1,247 per month. The remaining deficit has been calculated to be £97,523 and is included in other creditors.

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

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

9 INTANGIBLE FIXED ASSETS

	£
Cost	
At 4 July 2005	5,688,871
Additions	7,687,459
Disposals	<u>(965,308)</u>
At 2 July 2006	<u>12,411,022</u>
Accumulated depreciation	
At 4 July 2005	4,574,819
Charge for the period	2,223,353
Disposals	<u>(898,641)</u>
At 2 July 2006	<u>5,899,531</u>
Net book value	
At 2 July 2006	<u>6,511,491</u>
At 3 July 2005	<u><u>1,114,052</u></u>

10 TANGIBLE FIXED ASSETS

	Stadium £	Freehold land £	Fixtures and fittings £	Plant, equipment and vehicles £	Assets in the course of construction £	Total £
Cost						
At 4 July 2005	41,293,998	804,000	1,551,655	2,984,484	165,600	46,799,737
Additions	95,454	-	823,108	326,626	557,678	1,802,866
Disposals	-	-	(408,913)	(1,599,757)	-	(2,008,670)
Reclassification	-	-	139,438	12,000	(151,438)	-
At 2 July 2006	<u>41,389,452</u>	<u>804,000</u>	<u>2,105,288</u>	<u>1,723,353</u>	<u>571,840</u>	<u>46,593,933</u>
Accumulated depreciation						
At 4 July 2005	5,041,186	-	676,773	1,955,406	-	7,673,365
Charge for the period	826,954	-	277,649	316,505	-	1,421,108
Disposals	-	-	(407,676)	(1,562,676)	-	(1,970,352)
At 2 July 2006	<u>5,868,140</u>	<u>-</u>	<u>546,746</u>	<u>709,235</u>	<u>-</u>	<u>7,124,121</u>
Net book value						
At 2 July 2006	<u>35,521,312</u>	<u>804,000</u>	<u>1,558,542</u>	<u>1,014,118</u>	<u>571,840</u>	<u>39,469,812</u>
At 3 July 2005	<u>36,252,812</u>	<u>804,000</u>	<u>874,882</u>	<u>1,029,078</u>	<u>165,600</u>	<u>39,126,372</u>
Leased assets included in the above						
Net book value						
At 2 July 2006	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,697</u>	<u>-</u>	<u>46,697</u>
Net book value						
At 3 July 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,870</u>	<u>-</u>	<u>2,902,124</u>

Freehold land amounting to £804,000 (3 July 2005 - £804,000) has not been depreciated £151,438 relates to amounts transferred out of assets in the course of construction

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

11 INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries £	Medals £	Total £
Cost and net book value			
At 3 July 2005 and 2 July 2006	2,150,002	14,219	2,164,221

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

12 STOCKS

	2 July 2006 £	3 July 2005 £
Goods for resale	495,771	318,517

13. DEBTORS

	2 July 2006 £	3 July 2005 £
Amounts falling due within one year		
Trade debtors	1,226,362	1,997,117
Amounts owed by group undertakings	1,601,635	1,289,390
Other debtors	10,012	28,461
Prepayments and accrued income	2,579,421	2,388,317
	5,417,430	5,703,285

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2 July 2006 £	3 July 2005 £
Bank overdrafts	1,948,474	1,707,686
Bank loans	3,986,695	950,650
Trade creditors	1,542,394	1,413,574
Obligations under finance leases	29,556	-
Other loans	208,337	208,337
Directors' loans	400,000	400,000
Amounts owed to group undertakings	24,055,843	24,063,982
Corporation tax creditor	19,000	19,000
Other taxation and social security	1,920,809	1,955,971
Other creditors	1,980,628	2,469,476
Accruals	9,829,482	5,982,528
Deferred income	5,668,476	6,141,489
	51,589,694	45,312,693

Deferred income consists of season tickets, 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 cost of the stadium of £184,822 (3 July 2005 - £181,000).

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

15. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2 July 2006	3 July 2005
	£	£
Bank loans	3,267,416	4,250,148
Obligations under finance leases	27,586	-
Other loans	111,858	208,851
Deferred income	6,848,086	6,782,223
Other creditors	82,559	59,764
	<u>10,337,505</u>	<u>11,300,986</u>

Deferred income consists of grants and other contributions to the cost of the stadium (3 July 2005 - £6,734,000)

Borrowings excluding obligations under finance leases and hire purchase contracts included in creditors due within one year and after more than one year are payable as follows

	2 July 2006	3 July 2005
	£	£
Bank loans, overdrafts and other loans		
Between one and two years	1,132,156	1,093,169
Between two and five years	1,625,385	2,573,439
After five years	621,733	792,391
	<u>3,379,274</u>	<u>4,458,999</u>
On demand or within one year	6,543,506	3,266,673
	<u>9,922,780</u>	<u>7,725,672</u>

The company has granted a floating charge on its assets to secure bank loans, overdrafts and other loans of £6,422,780 (3 July 2005 - £7,225,672)

Amounts payable after 5 years are linked to an interest rate of 7.81% repayable to October 2014

	2 July 2006	3 July 2005
	£	£
Finance leases and hire purchase contracts		
Between one and two years	16,072	-
Between two and five years	11,514	-
	<u>27,586</u>	<u>-</u>
On demand or within one year	29,556	-
	<u>57,142</u>	<u>-</u>

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

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

	2 July 2006 £	3 July 2005 £
Total borrowings including finance leases and hire purchase contracts		
Between one and two years	1,148,228	1,093,169
Between two and five years	1,636,899	2,573,439
After five years	621,733	792,391
	3,406,860	4,458,999
On demand or within one year	6,573,062	3,266,673
	9,979,922	7,725,672

16. DEFERRED TAXATION

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

	2 July 2006 £	3 July 2005 £
Accelerated capital allowances	691,000	371,000
Other timing differences	597,000	570,000
Tax losses	(6,310,000)	(6,593,000)
	(5,022,000)	(5,652,000)

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

A net deferred tax asset amounting to £5 0 million (3 July 2005 - £5 7 million) has not been recognised as at present it is not envisaged that sufficient trading profits will be generated in the foreseeable future

17. CALLED UP SHARE CAPITAL

	2 July 2006 £	3 July 2005 £
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

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 week period ended 2 July 2006

18. RESERVES

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

	2 July 2006 £	3 July 2005 £
Non-distributable		
- profit and loss account	(8,008,770)	(8,027,460)
- share premium account	206,626	206,626
- capital reserve	31,418	31,418
- other reserves	25,347	25,347
	<u>(7,745,379)</u>	<u>(7,764,069)</u>

The movement on reserves during the period was as follows

	Share premium account £	Capital reserve £	Other reserves £	Profit and loss account £	Total £
At 4 July 2005	206,626	31,418	25,347	(8,027,460)	(7,764,069)
Profit for the period	-	-	-	18,690	18,690
At 2 July 2006	<u>206,626</u>	<u>31,418</u>	<u>25,347</u>	<u>(8,008,770)</u>	<u>(7,745,379)</u>

19 FINANCIAL COMMITMENTS

a) Capital commitments

	2 July 2006 £	3 July 2005 £
Contracted for but not provided	<u>338,000</u>	<u>300,000</u>

A commitment of £338,000 has been made to enhance the pitches at the Reebok Stadium and at the Euxton training ground

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 2 July 2006 is £1,492,000 (3 July 2005 - £310,500)

c) Pension commitments

The pension cost charge for the period was £280,650 (3 July 2005 - £279,017)

20 ULTIMATE PARENT COMPANY

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

Burden 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, Burden Way, Lostock, Bolton, BL6 6JW

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 2 July 2006

21. RELATED PARTY TRANSACTIONS

During the period Bolton Whites Hotel Limited purchased goods and services in the ordinary course of business from Bolton Wanderers Football and Athletic Company Limited, a subsidiary undertaking, at a cost of £1,200,840 (53 weeks ended 3 July 2005 - £1,090,442)

During the period Bolton Wanderers Football and Athletic Company Limited purchased goods and services in the ordinary course of business from Bolton Whites Hotel Limited, the majority shareholder, valued at £981,552 (53 weeks ended 3 July 2005 - £463,156)

At the period end amounts owed to Bolton Wanderers Football and Athletic Company Limited from its subsidiary undertaking amounted to £nil (3 July 2005 - £601,319), and owed from Bolton Wanderers Football and Athletic Company Limited to its subsidiary undertaking amounted to £398 (3 July 2005 - £nil)

During the year Arley Partnership LLP (a limited liability partnership of which P Gartside is a member) purchased goods and services from Bolton Wanderers Football and Athletic Company Limited in the ordinary course of business, valued at £38,000 (53 weeks ended 3 July 2005 - £8,419)

At the period end £21,604 (2005 - £nil) was owed to Bolton Wanderers Football and Athletic Company Limited from Arley Partnership LLP in respect of corporate hospitality

During the year Strix Group Limited (a company of which E Davies is Executive Chairman) purchased goods and services from Bolton Wanderers Football and Athletic Company Limited in the ordinary course of business, valued at £22,750 (53 weeks ended 3 July 2005 - £5,510)

At the period end £25,204 was owed to Bolton Wanderers Football and Athletic Company Limited from Strix Group Limited (a company of which E Davies is Executive Chairman) in respect of corporate hospitality

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

22. SUBSEQUENT EVENTS

Since the balance sheet date the club has purchased intangible fixed assets amounting to £9,998,721 relating to players' registrations