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BOLTON WANDERERS
FOOTBALL AND ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT
and
STATEMENT of ACCOUNTS

30th JUNE, 1981



BOLTON WANDERERS FOOTBALL AND ATHLETIC COMPANY LIMITED

PRESIDENT:

J. BATTERSBY, Esq.

LIFE-VICE PRESIDENTS:

B. COWSILL, Esq.

W. G. ISHERWOOD, Esq.

J. W. WOODS, Esq.

DIRECTORS:

G. WARBURTON, Esq., (Chairman)

B. TURNBULL, Esq., (Vice Chairman and Chief Executive)

G. E. ASHWORTH, Esq.

S. JONES, Esq.

J. LIGHTBOWN, Esq.

H. D. WARBURTON, Esq.

SECRETARY:

D. McBAIN, Esq.

MANAGER:

G. MULHALL, Esq.

REGISTERED OFFICE:

Burnden Park, Bolton

AUDITORS:

KEVAN PILLING & CO., Chartered Accountants, Bolton

BANKERS:

WILLIAMS & GLYN'S BANK LIMITED, Bolton

SOLICITORS:

CYRIL MORRIS, ARKWRIGHT & CO., Bolton

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Shareholders will be held on Thursday, 29th October, 1981 at the Executive Club, Burnden Park, Bolton at 10.30 o'clock in the morning for the following purposes:

1. To receive and to consider the Company's Accounts for the year ended 30th June, 1981 together with the Reports of the Directors and Auditors thereon.
2. To elect Directors.
3. To re-appoint Kevan Pilling & Co. auditors and to authorise the Directors to fix their remuneration.
4. To transact any other Ordinary Business of the Company.

Burnden Park,
Bolton.
6th October, 1981

By order of the Board
D. McBAIN
Secretary

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

Proxy forms to be valid, must be received at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.

NOTE: Admission to the Meeting will be by production of these Accounts.
Will Members please notify the Secretary, in writing, of any change of address.

REPORT OF THE CHAIRMAN

I have to report that Season 1980/81 was an extremely disappointing one for the Club as we had hoped for promotion back to the First Division at the first attempt. From the financial point of view as shown in the Accounts the Club had a disastrous year. The spectators through the turnstiles dropping from an average in 1979/80 of 17,581 to 10,530 average in 1980/81. Expenditure was reduced where possible but with players on fixed contracts it is not easy. The position of town clubs like Bolton is very difficult with small gates and expenses not as high as the city clubs but getting close in certain areas. Consequently as a result of the financial situation a number of staff had to be made redundant. It is hoped that this will not have too detrimental an effect on the Club performance both on and off the field.

Changes were made in the Club's managerial side. The Club dispensed with the services of Mr. Anderson and Mr. Dunne and appointed Mr. George Mulhall as manager with Mr. Walter Joyce as Senior Coach and Mr. Charlie Wright as Coach. We were extremely sorry to lose our Physiotherapist, Mr. Jimmy Headrige to Manchester United and it was a great loss to football when he died shortly afterwards. We have appointed Mr. Peter Nightingale as Club Physiotherapist.

We are, of course, a designated ground with a safety Licence from the Greater Manchester Council. We are therefore obliged by law to have the ground inspected every year and to carry out all remedial and repair work immediately in order to retain the Licence. This obviously puts a heavy financial burden on a club of this size.

More work has been undertaken on the playing surface. The ground has been sand slitted and reseeded. This is the completion of the work started last year, part of which was damaged through heavy rain. This latest treatment should reduce the possibility of matches being postponed through a water-logged ground.

The Club has received outline planning permission for a Sports and Leisure Complex on the Embankment End of the ground. It is the Club's intention to proceed with this project as soon as finances can be found as it could be another source of much needed revenue as well as providing the public of Bolton with more leisure facilities. We are always looking at other projects which could be incorporated within the commercial department without affecting the professional football side of the Club.

We were delighted to negotiate an arrangement with Knight Security for shirt sponsorship last season, and are pleased to report that another local company, The Bolton Evening News, - B.E.N. - have taken up a two-year arrangement on shirt and track-suit sponsorship. It is extremely encouraging to see local businesses willing to become involved with the Club. As well as shirt sponsorship all the matches for this season have been sponsored mainly by local business firms.

The Commercial Department has again had a bumper year both on lotteries and other commercial activities with increased income in these depressed times. I would like to place on record the Club's grateful thanks to the staff, voluntary committees and all agents who are helping to raise money.

The Executive Club is now an integral part of the Club and is showing a good return.

The reason that the Annual General Meeting of the Club has been changed to a morning is to give the Management a chance to let the Club in the evening and thus increase our revenue.

The Central League had a continuous battle to avoid applying for re-election to the Central League for the second successive year. However, this was avoided and of course the ultimate aim of the Reserve Team is to produce and provide players for the First Team.

The 'A' and 'B' Teams held respectable positions in the Lancashire League last season. It is with regret that the 'B' Team had to be disbanded because of rising costs, though we feel that this will not affect our attempt to produce our own players as we feel we are signing our fair share of the young talent available.

I wish to thank the Club Doctors for their unstinting work during the year and to everyone who helped Bolton Wanderers during the year.

Bolton Wanderers has a tradition to uphold and I can assure you that everyone connected with the club is aware of his or her responsibility to the Shareholders and Supporters to ensure that the Club will continue to prosper.

G. WARBURTON
CHAIRMAN

REPORT OF THE DIRECTORS

The Directors submit their Report and Audited Accounts for the year ended 30th June, 1981.

Financial Results

The financial results for the year are set out in the attached accounts.

Activities

The principal activities of the Company continue to be those of a Professional Football League Club.

Your Directors and their interests in the Shares of the Company were as follows:

	Number of Shares			
	At 30th June, 1981		At 30th June, 1980	
	Ordinary Shares of £3	Special Ordinary Shares of £1	Ordinary Shares of £3	Special Ordinary Shares of £1
G. Warburton, Esq.	900	492	900	492
G. E. Ashworth, Esq.	—	100	—	100
S. Jones, Esq.	—	50	—	50
J. Lightbown, Esq.	—	75	—	75
B. Turnbull, Esq.	—	931	—	931
H. D. Warburton, Esq.	900	540	900	590

Re-Election of Directors

In accordance with the Articles of Association, Messrs. S. Jones and J. Lightbown retire from the Board by rotation and being eligible offer themselves for re-election.

Dividends

The Directors do not recommend the payment of a dividend.

Charitable and Political Contributions

The Company made no contributions for charitable or political purposes.

Auditors

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the re-appointment of Keyser Pilling & Co., as auditors of the Company, will be put to the Annual General Meeting.

By order of the Board
G. Warburton
Chairman

14th September, 1981.

BOLTON WANDERERS FOOTBALL AND ATHLETIC COMPANY LIMITED

AUDITORS' REPORT

**To the Members of
Bolton Wanderers Football and Athletic Company Limited**

We have audited the accounts on pages 7 to 11 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts and notes give a true and fair view of the state of the Company's affairs at 30th June, 1981 and of the loss and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1980.

14th September, 1981

Kevan Pilling & Co.
Chartered Accountants, Bolton

BOLTON WANDERERS FOOTBALL AND ATHLETIC COMPANY LIMITED

BALANCE SHEET at 30th JUNE, 1981

	1981	1980
	£	£
FIXED ASSETS:		
Freehold Land and Buildings	271,679	254,845
Machinery and Equipment	164,607	130,525
Motor Vehicles	37,925	36,503
Fixtures and Fittings	5,852	6,248
	<u>480,063</u>	<u>428,121</u>
INVESTMENT (Loan Note Fund)	12,588	12,926
CURRENT ASSETS:		
Sundry Debtors and Prepayments	110,696	408,818
Stock on Hand at cost—		
Executive Club	3,508	2,544
Shop	7,086	7,120
Cash in Bank and in Hand—		
Season Ticket Account	76,348	102,853
General Account	(409,808)	(201,472)
	<u>(212,170)</u>	<u>319,863</u>
CURRENT LIABILITIES:		
Sundry Creditors and Accrued Charges	192,545	334,605
Season Tickets 1981/82 in advance	66,390	89,306
	<u>258,935</u>	<u>423,911</u>
Net Current (Liabilities)	(471,105)	(104,048)
	<u>21,546</u>	<u>336,999</u>
DEFERRED LIABILITIES:		
Loan—(Secured on Executive Club Premises)	20,490	21,940
Corporation Tax 1980	-	1,077
Net Assets	<u>20,490</u>	<u>23,017</u>
	<u>£ 1,056</u>	<u>£ 313,982</u>
REPRESENTED BY:		
Subscribed Share Capital	35,196	35,196
£25 Loan Notes 1980/99	19,100	20,625
Capital Reserve	31,418	31,418
Loan Note Redemption Fund	17,196	16,285
	<u>102,910</u>	<u>103,524</u>
Accumulated Losses	(101,854)	210,458
	<u>£ 1,056</u>	<u>£ 313,982</u>

G. Warburton, Chairman
D. McBain, Secretary

The Notes on pages 10 and 11 form part of these Accounts.

BOLTON WANDERERS FOOTBALL AND ATHLETIC COMPANY LIMITED

REVENUE ACCOUNT for the year ended 30th JUNE, 1981

	INCOME	
	1981	1980
	£	£
Gate Receipts	308,926	610,043
Sundry Receipts	217,388	187,931
Players' Transfer Fees, less payable	--	423,972
Bank Interest	1,118	2,693
Profit on Sale of Fixed Assets	-	2,122
	<u>527,432</u>	<u>1,226,761</u>

	EXPENDITURE	
Salaries and Wages	660,732	616,655
Match Expenses and Ground Maintenance	254,717	383,614
Players' Transfer Fees, less receivable	104,926	-
General Administration	98,648	57,277
Audit Fee	1,500	1,200
Bank Interest	27,454	6,015
Depreciation	32,541	20,077
Loss on Sale of Fixed Assets	181	-
	<u>1,180,699</u>	<u>1,084,838</u>
(Loss) Profit for the year.	<u>£(653,267)</u>	<u>£141,923</u>

PROFIT AND LOSS ACCOUNT for the year ended 30th JUNE, 1981

	1981	1980
Unappropriated Profit at 30th June 1980	210,458	(285,854)
Donations received from Development Associations	314,531	249,628
Grant received from Ground Improvements Trust	25,347	105,838
	<u>550,336</u>	<u>69,612</u>
(Loss) Profit from Revenue Account	(653,267)	141,923
Taxation	1,077	(1,077)
(Loss) Profit after Taxation	<u>(652,190)</u>	<u> </u>
Accumulated Losses at 30th June 1981	<u>£(101,854)</u>	<u>£210,458</u>

BOLTON WANDERERS FOOTBALL AND ATHLETIC COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS Year ended 30th JUNE, 1981

	1981	1980
	£	£
Source of Funds:		
(Loss) Profit before Tax	(653,267)	141,923
Adjustment for items not involving the movement of funds:		
Depreciation	32,541	20,077
Loss (Profit) on Sale of Fixed Assets	181	(2,122)
	<u>(620,545)</u>	<u>159,878</u>
Funds from other Sources:		
Proceeds from Sale of Fixed Assets	5,667	38,480
Donations from Development Associations during the year	314,531	249,628
Grant from Ground Improvements Trust	25,347	105,838
Withdrawal from Loan Note Investment	1,249	1,325
	<u>346,794</u>	<u>555,149</u>
	<u>(273,751)</u>	<u>555,149</u>
Application of Funds:		
Loan Notes Repayable	1,525	1,575
Purchase of Fixed Assets	90,331	214,625
	<u>91,856</u>	<u>214,625</u>
	<u>£(365,607)</u>	<u>£338,949</u>
Working Capital was increased by:		
Increase in Sundry Debtors	—	277,128
Decrease in Loans	1,450	1,450
Decrease in Advance Sales of Season Tickets	22,916	122,476
Increase in Stock on Hand	930	7,106
Decrease in Sundry Creditors	142,060	130,515
	<u>167,356</u>	<u>538,675</u>
but was decreased by:		
Decrease in Sundry Debtors	298,122	—
Decrease in Cash at Bank and in Hand	234,841	199,726
	<u>(532,963)</u>	<u>199,726</u>
	<u>£(365,607)</u>	<u>£338,949</u>

BOLTON WANDERERS FOOTBALL AND ATHLETIC COMPANY LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED
30th JUNE, 1981

1. ACCOUNTING POLICIES

- (a) **Stock**
Stock is valued at the total of the lower of cost and net realisable value of the separate items of Stock.
- (b) **Depreciation**
Depreciation against specific assets is provided at the following rates which are calculated to write off those assets over their useful working life.
- | | |
|-------------------------|-------------|
| Land and Buildings | see Note 7 |
| Machinery and Equipment | 10% of cost |
| Motor Vehicles | 25% of cost |
- (c) **Taxation**
It is not anticipated that there will be any liability to Corporation Tax on the results of the year. Taxation Losses of approximately £1,600,000 remain available for relief in future years.

2. TURNOVER

The turnover of the Company is based on actual receipts, including amounts accrued due.

3. FIXED ASSETS

	Cost or Valuation £	Depreciation £	Net £
FREEHOLD AND LEASEHOLD LAND AND BUILDINGS:			
As per Professional Valuation dated 1970	105,000	—	
Cost since 1970	149,845	—	
Additions during the year.	16,834	—	
Balance at end of year	<u>271,679</u>	<u>—</u>	<u>271,679</u>
MACHINERY AND EQUIPMENT AND MOTOR VEHICLES			
Balance at beginning of year	218,874	51,846	
Additions less sales during year	62,461	26,957	
Balance at end of year	<u>281,335</u>	<u>78,803</u>	<u>202,532</u>
FURNITURE, FITTINGS AND EQUIPMENT			
Balance at beginning of year	15,097	8,849	
Additions during the year	587	983	
Balance at end of year	<u>15,684</u>	<u>9,832</u>	<u>5,852</u>

4. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments at 30th June, 1981 were as follows:

Contracted for	£NIL (1980 £30,000)
Not contracted for	£NIL (1980 £40,000)

5. SHARE CAPITAL

(unchanged during year)

Special Ordinary Shares of £1 each
Ordinary Shares of £3 each

	Authorised Number	£	Issued and Fully Paid Number	£
Special Ordinary Shares of £1 each	4,000	4,000	3,750	3,750
Ordinary Shares of £3 each	40,000	120,000	10,482	31,446
		<u>124,000</u>		<u>35,196</u>

6. DIRECTORS' AND EMPLOYEES' REMUNERATION

In accordance with Regulation 43 (iv) of the Football Association and Article 80 of the Company's Articles of Association no fees or other emoluments are payable to the Directors.

Details of employees whose total remuneration exceeded £20,000 are:

	Number of Employees	
	1981	1980
£20,001-£25,000	5	2
£25,001-£30,000	1	2

7. The Directors are of the opinion that the market value of the Freehold Land and Buildings at Burden Park and Bromwich Street is in excess of the book value and therefore no provision for depreciation is required. But in view of the specialised nature of these assets the Directors are unable to say what the present day value is.

8. £25 LOAN NOTES 1980-1999

Loan Notes are repayable by an annual draw spread over 20 years until the year 1999.

The cash at Bank on Loan Note Redemption account has been invested as follows:

	Cost 1981	Cost 1980
£13,500 London County 6½% Stock 1988-1990 (Market value £8,944 approx.)	9,008	9,008
Deferred Annuity Policy	2,958	2,958
	<u>11,966</u>	<u>11,966</u>
Cash at Bank (interest on London County Stock)	622	960
	<u>£12,588</u>	<u>£12,926</u>

9. CONTINGENT LIABILITY

There is a contingent liability in respect of players' loyalty bonus. At 30th June, 1981 this liability amounted to £4,333 (1980 £6,104).

10. BANK OVERDRAFT FACILITIES

As security for any advances that may be made from time to time the Bank holds a Deed of Debenture dated August, 1978 creating a Fixed Charge on all the Company's assets held at that date and a Floating Charge on all assets acquired after that date excepting the Executive Club premises over which the Bank holds a second mortgage.