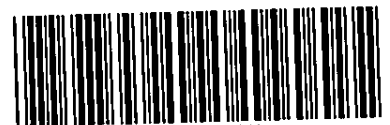


**BOLTON WANDERERS FOOTBALL &  
ATHLETIC COMPANY LIMITED**

**Report and Financial Statements**

**30 June 2008**

TUESDAY



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COMPANIES HOUSE

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

## **REPORT AND FINANCIAL STATEMENTS 2008**

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

## **REPORT AND FINANCIAL STATEMENTS 2008**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

E Davies  
A Duckworth  
P A Gartside  
D McBain  
P M Mulligan  
G Seymour  
G Warburton  
W B Warburton

#### **SECRETARY**

P M Mulligan

#### **REGISTERED OFFICE**

Reebok Stadium  
Burnden Way  
Lostock  
Bolton  
BL6 6JW

#### **BANKERS**

Alliance & Leicester plc  
298 Deansgate  
Manchester  
M3 4HH

#### **SOLICITORS**

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

#### **AUDITORS**

Deloitte LLP  
Chartered Accountants & Registered Auditors  
2 Hardman Street  
Manchester  
M60 2AT

#### **FINANCIAL ADVISERS**

Smith & Williamson  
Portwall Place  
Portwall lane  
Bristol  
BS1 6NA

# 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 2008.

### 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.

Once again the Football Club made a substantial investment in the playing squad with the net book value of intangible assets rising to £35,007,951 at the end of the year (2007: £15,076,070). This investment also impacted the profit and loss account within additional staff costs, which increased by 28% to £38,305,956 in the year (2007: £29,964,172). £8,510,533 profit on the transfer of player registrations was generated in the year (2007: £2,756,517) with £4,337,000 of receipts included within debtors at the balance sheet date. The net investment was financed by additional borrowings of £12,656,103 which is reflected in the increased creditors.

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, 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 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 FA Premier League; these include: administration, secretarial, financial, commercial, and health and safety issues.

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	£51,012,678	(2007: £43,086,637)
• Profit levels		
• gross	£5,772,379 loss	(2007: £1,167,407)
• net	£8,267,678 loss	(2007: £2,087,467 loss)
• Staff costs	£38,305,956	(2007: £29,964,172)
• Attendance levels	20,900	(2007: 23,600)
• Average ticket prices	£13.63	(2007: £16.18)
• Levels of net debt	£53,542,000	(2007: £43,043,000)

The Board monitors these on a monthly basis.

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. As disclosed in note 1, the Company's forecasts and projections, taking account of reasonably possible changes in on-pitch performance, show a shortfall in the current level of facilities. However, the Directors are currently in discussions with lenders regarding the potential securitisation of future guaranteed broadcast revenues, as is common practice for many Premier League football clubs, and further borrowings, in order to provide the Company with adequate working capital facilities.

On this basis the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

### RESULTS AND DISTRIBUTIONS

The Company's loss for the year before taxation was £8,267,678 (2007: £2,087,467).

No dividend can be paid.

The retained loss of £8,248,678 (2007: £2,087,467) has been withdrawn from reserves.

### POST BALANCE SHEET EVENTS

Subsequent events are disclosed in note 21.

# 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 year and thereafter.

The directors who held office at 30 June 2008 had the following interests in the shares of the ultimate parent Company, Burnden Leisure plc.

	Ordinary shares of £1 each	
	30 June 2008 No.	1 July 2007 No.
D. McBain	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 balance of directors' loans at 30 June 2008 is £400,000 (1 July 2007: £400,000).

The directors do not have any 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 £35,007,951 (2007: £15,076,070) 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 £54,050,000 (2007: £39,100,000).

In the opinion of the directors the book value of interests in land and buildings does not exceed the current open market value.

### 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.

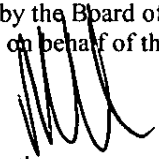
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

### AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

During the year Deloitte & Touche LLP changed their name to Deloitte LLP. Deloitte LLP have expressed their willingness of continue in offices as auditors and a resolution to reappoint them 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  
19 December 2008

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

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). The financial statements are required by law to 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 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 proper accounting records that 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 & ATHLETIC COMPANY LIMITED**

We have audited the financial statements of Bolton Wanderers Football and Athletic Company Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Statement of 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 30 June 2008 and of its loss for the year then ended;
- the financial statements 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 LLP  
Chartered Accountants and Registered Auditors  
Manchester, United Kingdom  
19 December 2008

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2008

		30 June 2008			1 July 2007
	Note	Operations excluding player trading £	Player Trading £	Total £	£
<b>TURNOVER</b>	2	51,012,678	-	51,012,678	43,086,637
Cost of sales		(48,621,464)	(8,163,593)	(56,785,057)	(41,919,230)
<b>GROSS PROFIT/(LOSS)</b>		2,391,214	(8,163,593)	(5,772,379)	1,167,407
Administrative expenses		(8,235,803)	-	(8,235,803)	(7,361,660)
<b>OPERATING LOSS</b>		(5,844,589)	(8,163,593)	(14,008,182)	(6,194,253)
Profit on transfer of players' registrations	3	-	8,510,533	8,510,533	2,756,517
Profit on sale of academy naming rights		-	-	-	3,500,000
Profit on disposal of tangible fixed assets	6	-	-	-	3,500
Investment income	4	533,079	-	533,079	576,202
Finance charges	5	(3,303,108)	-	(3,303,108)	(2,729,433)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	(8,614,618)	346,940	(8,267,678)	(2,087,467)
Tax credit on (loss)/profit on ordinary activities	7	19,000	-	19,000	-
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD</b>	18	(8,595,618)	346,940	(8,248,678)	(2,087,467)
<b>Retained loss brought forward</b>				(10,096,237)	(8,008,770)
<b>Retained loss carried forward</b>				(18,344,915)	(10,096,237)

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 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**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT**

**Year ended 30 June 2008**

	<b>30 June 2008 £</b>	<b>1 July 2007 £</b>
Loss for the financial period	<u>(8,248,678)</u>	<u>(2,087,467)</u>
Net increase in shareholders' deficit	(8,248,678)	(2,087,467)
Opening shareholders' deficit	<u>(9,709,096)</u>	<u>(7,621,629)</u>
Closing shareholders' deficit	<u><u>(17,957,774)</u></u>	<u><u>(9,709,096)</u></u>

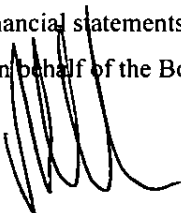
# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## BALANCE SHEET 30 June 2008

	Note	30 June 2008 £	1 July 2007 £
<b>FIXED ASSETS</b>			
Intangible assets	9	35,007,951	15,076,070
Tangible assets	10	42,726,105	40,551,857
Investments	11	2,164,221	2,164,221
		<u>79,898,277</u>	<u>57,792,148</u>
<b>CURRENT ASSETS</b>			
Stocks	12	132,946	248,872
Debtors	13	12,118,998	8,977,849
Cash at bank and in hand		1,689,994	158,112
		<u>13,941,938</u>	<u>9,384,833</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(83,571,015)</u>	<u>(67,229,976)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(69,629,077)</u>	<u>(57,845,143)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,269,200	(52,995)
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(28,226,974)</u>	<u>(9,656,101)</u>
<b>NET LIABILITIES</b>		<u>(17,957,774)</u>	<u>(9,709,096)</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	(18,344,915)	(10,096,237)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(17,957,774)</u>	<u>(9,709,096)</u>

These financial statements were approved by the Board of Directors on 19 December 2008.

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

Year ended 30 June 2008

### 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.

As set out in the Statement of Directors' Responsibilities on page 4, in preparing these financial statements the Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In satisfaction of this responsibility the Directors have considered the Company's ability to meet its liabilities as they fall due. The Company meets its day to day working capital requirements with a short term loan from Moonshift Investments Ltd, on-lent by Burnden Leisure. The loan from Moonshift Investments Ltd is repayable immediately on demand and in any case by 10 November 2009. The Directors have received assurances that repayment of the loans will not be demanded in the foreseeable future and that the facility is expected to be renewed in November 2009.

The Company has securitised £11.5 million of broadcast revenues, on-lent from Burnden Leisure, which are due to be repaid in August 2009. The Directors are currently in discussion with other lenders regarding the potential replacement of this facility.

Based on the current level of facilities, the Company's forecasts and projections, taking account of reasonably possible changes in on-pitch performance, show a shortfall in the current level of facilities. The Directors are currently in discussions with potential lenders regarding the securitisation of future guaranteed broadcast revenues, as is common practice for many Premier League football clubs, and further borrowings, in order to provide the Company with adequate working capital facilities.

On this basis the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

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.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2008**

### **1. ACCOUNTING POLICIES (CONTINUED)**

#### **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.

#### **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.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

### 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 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

	30 June 2008 £	1 July 2007 £
Interest receivable and similar income	533,079	576,202

### 5. FINANCE CHARGES

	30 June 2008 £	1 July 2007 £
Bank loans, overdrafts and other loans	3,243,746	2,724,616
Finance leases and hire purchase contracts	59,362	4,817
	<u>3,303,108</u>	<u>2,729,433</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

### 6. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	30 June 2008 £	1 July 2007 £
<b>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):</b>		
Amortisation of intangible assets	8,163,593	5,330,873
Depreciation		
Owned assets	1,736,098	1,535,921
Leased assets	117,842	14,355
Amortisation of grants	(180,192)	(180,192)
Profit on disposal of tangible fixed assets	-	(3,500)
Fees payable to the Company's auditors for the audit of the Company's annual accounts	38,000	30,996
	<u>8,163,593</u>	<u>5,330,873</u>

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	30 June 2008 £	1 July 2007 £
<b>Current tax</b>		
Overseas tax	(19,000)	-
	<u>(19,000)</u>	<u>-</u>

#### Factors affecting the tax charge for the period

The difference between the tax credit of £19,000 and the amount calculated by applying the standard rate of corporation tax is as follows:

	30 June 2008 £	1 July 2007 £
<b>Loss on ordinary activities before tax</b>	<u>(8,267,678)</u>	<u>(2,087,467)</u>
United Kingdom corporation tax at 30% (2007: 30%)	(2,480,303)	(626,240)
Effects of:		
Expenses not deductible for tax purposes	934,039	580,011
Non-taxable items	(213,982)	(226,918)
Depreciation in excess of capital allowances	134,450	111,454
Other timing differences	43,822	-
Tax losses available to carry forward	1,581,974	161,693
Adjustment in respect of prior years	(19,000)	-
	<u>(19,000)</u>	<u>-</u>

At 30 June 2008, the Company had trading losses to carry forward of £27 million (1 July 2007: £22 million).

A deferred tax asset has not been recognised in respect of unrelieved losses as the directors 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.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

### 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 20).

	<b>30 June 2008</b>	<b>1 July 2007</b>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed</b>		
Football players	45	45
Management and administration	178	159
	<u>223</u>	<u>204</u>
<b>Staff costs during the period</b>	<b>£</b>	<b>£</b>
Wages and salaries	33,171,448	26,952,460
Social security costs	4,914,126	2,830,954
Pension costs (see note 19c)	220,382	180,758
	<u>38,305,956</u>	<u>29,964,172</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 £67,595 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 Year ended 30 June 2008

### 9. INTANGIBLE FIXED ASSETS

	<b>Player transfer and agents fees £</b>
<b>Cost</b>	
At 2 July 2007	23,973,520
Additions	35,113,812
Disposals	(13,284,313)
At 30 June 2008	<u>45,803,019</u>
<b>Accumulated depreciation</b>	
At 2 July 2007	8,897,450
Charge for the period	8,163,593
Disposals	(6,265,975)
At 30 June 2008	<u>10,795,068</u>
<b>Net book value</b>	
At 30 June 2008	<u>35,007,951</u>
At 1 July 2007	<u>15,076,070</u>



# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2008

### 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 2 July 2007	41,501,418	804,000	2,827,041	2,085,621	2,008,174	49,226,254
Additions	2,283,742	-	540,634	1,184,402	19,410	4,028,188
Disposals	-	-	-	(116,115)	-	(116,115)
Reclassification	1,339,998	-	261,312	406,864	(2,008,174)	-
At 30 June 2008	<u>45,125,158</u>	<u>804,000</u>	<u>3,628,987</u>	<u>3,560,772</u>	<u>19,410</u>	<u>53,138,327</u>
<b>Accumulated depreciation</b>						
At 2 July 2007	6,699,597	-	952,123	1,022,677	-	8,674,397
Charge for the period	854,098	-	522,254	477,588	-	1,853,940
Disposals	-	-	-	(116,115)	-	(116,115)
At 30 June 2008	<u>7,553,695</u>	<u>-</u>	<u>1,474,377</u>	<u>1,384,150</u>	<u>-</u>	<u>10,412,222</u>
<b>Net book value</b>						
At 30 June 2008	<u>37,571,463</u>	<u>804,000</u>	<u>2,154,610</u>	<u>2,176,622</u>	<u>19,410</u>	<u>42,726,105</u>
At 1 July 2007	<u>34,801,821</u>	<u>804,000</u>	<u>1,874,918</u>	<u>1,062,944</u>	<u>2,008,174</u>	<u>40,551,857</u>
Leased assets included in the above:						
<b>Net book value</b>						
At 30 June 2008	<u>-</u>	<u>-</u>	<u>5,766</u>	<u>780,710</u>	<u>-</u>	<u>786,476</u>
<b>Net book value</b>						
At 1 July 2007	<u>-</u>	<u>-</u>	<u>1,103</u>	<u>44,895</u>	<u>-</u>	<u>45,998</u>

Freehold land amounting to £804,000 (1 July 2007: £804,000) has not been depreciated. £2,008,174 relates to amounts transferred out of assets in the course of construction.

### 11. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries £	Medals £	Total £
<b>Cost and net book value</b>			
At 1 July 2007 and 30 June 2008	<u>2,150,002</u>	<u>14,219</u>	<u>2,164,221</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 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

	30 June 2008 £	1 July 2007 £
Goods for resale	<u>132,946</u>	<u>248,872</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

### 13. DEBTORS

	30 June 2008 £	1 July 2007 £
Amounts falling due within one year:		
Trade debtors	5,527,164	3,278,564
Amounts owed by group undertakings	2,871,372	2,200,309
Amounts owed by related parties	-	1,500,000
Other debtors	984,922	-
Prepayments and accrued income	2,735,540	1,998,976
	<u>12,118,998</u>	<u>8,977,849</u>

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

	30 June 2008 £	1 July 2007 £
Bank overdrafts	-	2,744,292
Bank loans	-	4,064,768
Trade creditors	1,187,675	2,211,344
Obligations under finance leases	18,466	23,027
Other loans	2,527	483,111
Directors' loans	100,000	400,000
Amounts owed to group undertakings	38,439,256	36,909,048
Corporation tax creditor	-	19,000
Other taxation and social security	2,252,703	1,811,412
Other creditors	47,191	1,230,724
Accruals	38,401,555	13,467,827
Deferred income	3,121,642	3,865,423
	<u>83,571,015</u>	<u>67,229,976</u>

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 £169,268 (1 July 2007: £181,503).

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

	30 June 2008 £	1 July 2007 £
Bank loans	-	2,545,581
Obligations under finance leases	1,535	20,001
Other loans	-	381,145
Directors' loans	300,000	-
Amounts owed to group undertakings	21,397,486	-
Other creditors	52,631	67,595
Deferred income	6,475,322	6,641,779
	<u>28,226,974</u>	<u>9,656,101</u>

Deferred income consists of grants and other contributions to the cost of the stadium of £6,475,322 (1 July 2007: £6,641,779).

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

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

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:

	30 June 2008 £	1 July 2007 £
<b>Bank loans, overdrafts and other loans</b>		
Between one and two years	133,000	1,192,203
Between two and five years	167,000	1,138,575
After five years	-	595,948
	<u>300,000</u>	<u>2,926,726</u>
On demand or within one year	102,527	7,692,171
	<u>402,527</u>	<u>10,618,897</u>

The Company has granted a floating charge on its assets to secure bank loans, overdrafts and other loans of £nil (1 July 2007: £9,469,026)

	30 June 2008 £	1 July 2007 £
<b>Finance leases and hire purchase contracts</b>		
Between one and two years	1,535	18,469
Between two and five years	-	1,532
	<u>1,535</u>	<u>20,001</u>
On demand or within one year	18,466	23,027
	<u>20,001</u>	<u>43,028</u>

	30 June 2008 £	2 July 2006 £
<b>Total borrowings including finance leases and hire purchase contracts</b>		
Between one and two years	134,535	1,148,228
Between two and five years	167,000	1,636,899
After five years	-	621,733
	<u>301,535</u>	<u>3,406,860</u>
On demand or within one year	120,993	6,573,062
	<u>422,528</u>	<u>9,979,922</u>

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

### 16. DEFERRED TAXATION

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

	<b>30 June 2008 £</b>	<b>1 July 2007 £</b>
Accelerated capital allowances	641,336	519,373
Other timing differences	557,709	557,563
Tax losses	(7,550,195)	(6,039,951)
	<u>(6,351,150)</u>	<u>(4,963,015)</u>

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

### 17. CALLED UP SHARE CAPITAL

	<b>30 June 2008 £</b>	<b>1 July 2007 £</b>
<b>Authorised</b>		
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>
<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.

# BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

### 18. RESERVES

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

	30 June 2008 £	1 July 2007 £
Non-distributable		
- profit and loss account	(18,344,915)	(10,096,237)
- share premium account	206,626	206,626
- capital reserve	31,418	31,418
- other reserves	25,347	25,347
	<u>(18,081,524)</u>	<u>(9,832,846)</u>

The movement on reserves during the period was as follows:

	Share premium account £	Capital reserve £	Other reserves £	Profit and loss account £	Total £
At 1 July 2007	206,626	31,418	25,347	(10,096,237)	(9,832,846)
Loss for the period	-	-	-	(8,248,678)	(8,248,678)
At 30 June 2008	<u>206,626</u>	<u>31,418</u>	<u>25,347</u>	<u>(18,344,915)</u>	<u>(18,081,524)</u>

### 19. FINANCIAL COMMITMENTS

#### a) Capital commitments

	30 June 2008 £	1 July 2007 £
Contracted for but not provided	<u>82,900</u>	<u>511,129</u>

A commitment of £82,900 has been made to purchase grounds machinery, enhance the concourses at the Reebok Stadium and for additional works at the Lostock Academy site.

#### 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 2008 is £3,393,000 (1 July 2007: £2,631,000).

#### c) Pension commitments

The pension cost charge for the period was £220,382 (1 July 2007: £180,758).

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2008**

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

During the year Bolton Wanderers Football and Athletic Company Limited sold goods and services in the ordinary course of business to Bolton Whites Hotel Limited, a subsidiary undertaking, at a cost of £1,413,837 (1 July 2007: £1,554,548).

During the year 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 £897,774 (1 July 2007: £967,953).

At the period end amounts owed from Bolton Wanderers Football and Athletic Company Limited to its subsidiary undertaking amounted to £nil (1 July 2007: £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 £19,100 (1 July 2007: £24,380).

At the year end the amount owed to Bolton Wanderers Football and Athletic Company Limited by Arley Partnership in respect of corporate hospitality amounted to £7,708 (1 July 2007: £nil).

At the year end Bolton Wanderers Football and Athletic Company Limited owed £2,306,000 (2007: £nil) to Moonshift Investments Limited in respect of a player success fee.

During the year E Davies purchased goods and services from Bolton Wanderers Football and Athletic Company Limited in the ordinary course of business, valued at £4,446 (1 July 2007: £8,004).

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 £2,640 (1 July 2007: £2,301).

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.

### **21. SUBSEQUENT EVENTS**

#### **Acquisition of intangible assets**

Since the balance sheet date the Club has acquired players' registrations for a cost of £4,381,000 and £5,383,000 is receivable in respect of the disposal of players' registrations.

### **22. ULTIMATE PARENT COMPANY**

The directors regard Burnden Leisure plc, a Company incorporated in England, as the ultimate parent and controlling Company. The ultimate controlling party of Burnden Leisure plc is Fildraw Private Trust Company Limited.

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.