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BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016



BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

COMPANY INFORMATION

Directors K Anderson (Appointed 10 March 2016)
 D Holdsworth (Appointed 10 March 2016)
 P E Anderson (Appointed 22 December 2016)

Company number 00043026

Registered office Macron Stadium
 Burnden Way
 Lostock
 Bolton
 BL6 6JW

Auditor Cowgill Holloway LLP
 Regency House
 45-53 Chorley New Road
 Bolton
 Lancashire
 BL1 4QR

Bankers Barclays Bank plc
 1 Market Street
 Bolton
 BL1 1XA

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

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BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present the strategic report for the year ended 30 June 2016.

Fair review of the business

Turnover for the company has increased by £1.2m to £24.3m (2015: £23.1m) during the reporting period. Match day attendance fell, this was primarily due to the disappointing performance of the team which saw the club fall from the Championship to League One at the end of the season. Other revenues increased including the parachute payments received to generate a net increase in turnover for the period.

Due to the embargo enforced by The Football League and the cash-flow problems of the business no significant investment has been made in the playing squad or tangible fixed assets during the period reported on.

Key performance indicators are used to measure and evaluate the company's performance and monitor various activities of the company on a monthly basis. The main key performance indicators employed in the company are:

Revenue levels	£24,334,738	(2015: £23,127,303)
Profit/loss levels		
Gross	£231,050 profit	(2015: £10,145,331 loss)
Net	£6,092,696 loss	(2015: £4,636,412 loss)
Staff costs	£18,555,154	(2015: £26,516,847)
Average Attendance levels	15,056	(2015: 15,421)
Average ticket prices	£8.95	(2015: £8.88)
Level of net debt	£6,502,527	(2015: £7,203,900)

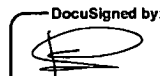
Principal risks and uncertainties

The principal risk affecting the company is the funding required to enable future investment and to fund the working capital on an ongoing basis. To mitigate this risk the Group have disposed of a number of significant assets and sought new ownership of the Group. The company's management will continue to secure further funding and continue to monitor all risks associated with the Group.

The directors also consider the principal risks facing the company are the performance and divisional status of the football team. In the light of this risk the company remains dependent on the continued support of its major shareholder.

The company is regulated by the rules of the FIFA, UEFA, The FA and The Football League, the board ensures compliance with the relevant rules and regulations and monitors and considers the impact closely on any potential changes.

On behalf of the board

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K Anderson

Director

10 July 2017 | 12:15 PM BST

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the company continued to be that of a professional football club together with related commercial activities, a stadium incorporating an integrated hotel operated by a subsidiary company with accommodation, conference and leisure facilities and an integrated business centre.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K Anderson	(Appointed 10 March 2016)
D Holdsworth	(Appointed 10 March 2016)
P E Anderson	(Appointed 22 December 2016)
P A Gartside	(Deceased 10 February 2016)
R C Gee	(Resigned 9 May 2016)
A J Massey	(Resigned 25 April 2016)
W B Warburton	(Resigned 10 March 2016)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Cowgill Holloway LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

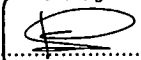
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

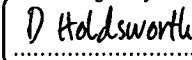
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

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K Anderson
Director
10 July 2017 | 12:15 PM BST

DocuSigned by:

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D Holdsworth
Director
07 July 2017 | 4:08 PM BST

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

We have audited the financial statements of Bolton Wanderers Football & Athletic Company Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the FRC's Ethical Standard for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of qualified opinion on financial statements

The audit evidence available to us to confirm the appropriateness of preparing the financial statements on a going concern basis was limited because the Burnden Leisure Limited group of companies has not been able to substantiate any evidence that the group are able to continue to trade as a going concern. The group has significant levels of overdue indebtedness and has provided no detailed financial projections demonstrating its ability to continue as a going concern. The ability to continue as a going concern is dependent upon significant levels of investment and/or refinancing which has not currently been secured.

As a result of the above, and in the absence of any alternative evidence available to us, we have been unable to form an opinion as to the applicability of the going concern basis. As a result, we have issued a disclaimer of opinion on the financial statements.

Disclaimer of opinion on financial statements

Given the significance of the matter described in the basis for qualified opinion on financial statements above, we have not been able to obtain sufficient audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

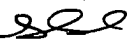
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DocuSigned by:

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Stuart Stead (Senior Statutory Auditor)
for and on behalf of Cowgill Holloway LLP

13 July 2017 | 1:26 PM BST
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Chartered Accountants
Statutory Auditor

Regency House
45-53 Chorley New Road
Bolton
Lancashire
BL1 4QR

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	30 June 2016			30 June
		Operations excluding player trading £	Player Trading £	Total £	2015 £
Turnover	3	24,334,738	-	24,334,738	23,127,303
Cost of sales		(22,750,110)	(1,353,578)	(24,103,688)	(33,272,634)
Gross profit/(loss)		1,584,628	(1,353,578)	231,050	(10,145,331)
Administrative expenses		(8,444,972)	-	(8,444,972)	(7,096,210)
Other operating income		221,692	-	221,692	-
Operating loss	4	(6,638,652)	(1,353,578)	(7,992,230)	(17,241,541)
Interest receivable and similar income	6	272,535	-	272,535	9,262,402
Interest payable and similar charges	7	(508,990)	-	(508,990)	(262,309)
Profit on transfer of players registrations		-	440,468	440,468	3,635,414
Profit/(loss) on disposal of tangible fixed assets		1,695,521	-	1,695,521	(30,378)
Loss before taxation		(5,179,586)	(913,110)	(6,092,696)	(4,636,412)
Taxation	8	-	-	-	-
Loss after taxation		(5,179,586)	(913,110)	(6,092,696)	(4,636,412)
Loss for the financial year		(5,179,586)	(913,110)	(6,092,696)	(4,636,412)

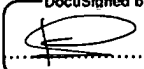
The profit and loss account has been prepared on the basis that all operations are continuing operations.

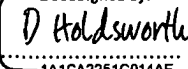
Player trading consists of the amortisation of the costs of acquiring player registrations, profit on disposal of player registrations and the gains/losses on the player related foreign exchange movement.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**BALANCE SHEET****AS AT 30 JUNE 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	9		1,396,992		2,013,673
Tangible assets	10		29,293,196		35,133,942
Investments	11		2,164,222		2,164,222
			<u>32,854,410</u>		<u>39,311,837</u>
Current assets					
Stocks	14	121,700		256,213	
Debtors	15	5,348,116		9,051,090	
Cash at bank and in hand		380,878		270,956	
			<u>5,850,694</u>	<u>9,578,259</u>	
Creditors: amounts falling due within one year	16		<u>(44,734,624)</u>	<u>(52,842,051)</u>	
Net current liabilities			<u>(38,883,930)</u>	<u>(43,263,792)</u>	
Total assets less current liabilities			<u>(6,029,520)</u>	<u>(3,951,955)</u>	
Creditors: amounts falling due after more than one year	17		<u>(180,134,058)</u>	<u>(176,118,927)</u>	
Net liabilities			<u>(186,163,578)</u>	<u>(180,070,882)</u>	
Capital and reserves					
Called up share capital	22		123,750		123,750
Share premium account			206,626		206,626
Other reserves			25,347		25,347
Capital redemption reserve			31,418		31,418
Profit and loss reserves			<u>(186,550,719)</u>		<u>(180,458,023)</u>
Total equity			<u>(186,163,578)</u>		<u>(180,070,882)</u>

The financial statements were approved by the board of directors and authorised for issue on 10 July 2017 | 12:15 PM BS and are signed on its behalf by:

DocuSigned by:

 K Anderson
 Director

DocuSigned by:

 D Holdsworth
 Director

Company Registration No. 00043026

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 July 2014	123,750	206,626	31,418	25,347	(175,821,611)	(175,434,470)
Year ended 30 June 2015:						
Loss and total comprehensive income for the year	-	-	-	-	(4,636,412)	(4,636,412)
Balance at 30 June 2015	123,750	206,626	31,418	25,347	(180,458,023)	(180,070,882)
Year ended 30 June 2016:						
Loss and total comprehensive income for the year	-	-	-	-	(6,092,696)	(6,092,696)
Balance at 30 June 2016	123,750	206,626	31,418	25,347	(186,550,719)	(186,163,578)

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016		2015	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	28		(4,661,126)		(11,279,028)
Interest paid			(508,990)		(262,309)
Net cash outflow from operating activities			<u>(5,170,116)</u>		<u>(11,541,337)</u>
Investing activities					
Purchase of intangible assets		(935,755)		(291,796)	
Proceeds on disposal of intangibles		640,959		3,826,659	
Purchase of tangible fixed assets		(234,095)		(447,235)	
Proceeds on disposal of tangible fixed assets		6,237,767		-	
Interest received		272,535		9,262,402	
Net cash generated from investing activities			5,981,411		12,350,030
Financing activities					
Proceeds from borrowings		4,000,000		2,500,000	
Repayment of bank loans		(4,673,332)		(3,042,602)	
Payment of finance leases obligations		(28,041)		(10,406)	
Net cash used in financing activities			<u>(701,373)</u>		<u>(553,008)</u>
Net increase in cash and cash equivalents			109,922		255,685
Cash and cash equivalents at beginning of year			270,956		15,271
Cash and cash equivalents at end of year			<u>380,878</u>		<u>270,956</u>

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Bolton Wanderers Football & Athletic Company Limited is a company limited by shares incorporated in England and Wales. The registered office is Macron Stadium, Burnden Way, Lostock, Bolton, BL6 6JW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Bolton Wanderers Football & Athletic Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover is recognised as services and events are provided. Income generated from football matches is recognised as matches are played, this includes seasonal packages which are split equally between league home games. Sponsorship and similar commercial income is recognised over the duration of the football season whilst additional facility fee for live coverage or highlights are taken when earned. Merit awards, where applicable, are accounted for only when known at the end of the season.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

1.4 Intangible fixed assets other than goodwill

In accordance with FRS102 "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 amortised cost of the players and is recognised in the period in which the transfers are made. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale. Future payments for the acquisition of a player's registration, which may become due dependent on the performance of the team and/or the individual player, are recognised within the original cost of acquisition if, in the opinion of the Directors, it is probable that these payments will eventually be made. Similar terms may exist in contracts for the sale of players' registrations but such payments will eventually be made. Similar terms may exist in contracts for the sale of players' registrations but such payments are not recognised as part of the proceeds of disposal until the event upon which the payment is dependent is known to have occurred. Provision is made for any impairment.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Stadium and academy	Over 50 years
Freehold land	Over 50 years
Plant and equipment	3 to 10 years
Fixtures and fittings	3 to 10 years
Assets under construction	No depreciation charge

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.17 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
United Kingdom	24,334,738	23,127,303
	<u> </u>	<u> </u>
 Other significant revenue		
Interest income	272,535	9,262,402
	<u> </u>	<u> </u>

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

4 Operating loss

	2016	2015
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	1,630	(175)
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	63,000
Depreciation of owned tangible fixed assets	1,532,595	1,660,890
Amortisation of intangible assets	1,351,945	1,537,362
Cost of stocks recognised as an expense	4,335,514	3,557,710
Operating lease charges	95,189	63,087
	18,386,276	18,112,864

5 Employees

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

	2016	2015
	Number	Number
Football players	65	68
Management & administration	139	151
	204	219

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	16,511,014	23,524,796
Social security costs	1,935,568	2,854,466
Pension costs	108,572	137,585
	18,555,154	26,516,847

6 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest receivable from group companies	-	8,945,895
Other interest income	272,535	316,507
	272,535	9,262,402
Total income		

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

7 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on loans	506,315	258,296
Interest on finance leases and hire purchase contracts	2,675	4,013
	508,990	262,309

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£	£
Loss before taxation	(6,092,696)	(4,636,412)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(1,218,539)	(938,873)
Tax effect of expenses that are not deductible in determining taxable profit	306,214	368,968
Tax effect of income not taxable in determining taxable profit	(1,177,677)	(1,846,827)
Unutilised tax losses carried forward	1,053,243	2,334,342
Group relief	83,045	7,930
Permanent capital allowances in excess of depreciation	963,710	74,457
Other permanent differences	(9,996)	3
Taxation for the year	-	-

At 30 June 2016, the company had trading losses to carry forward of £159 million (2015: £154 million).

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

9 Intangible fixed assets

	Player transfer and agent fees
	£
Cost	
At 1 July 2015	17,211,351
Additions	935,755
Disposals	(7,446,838)
	<hr/>
At 30 June 2016	10,700,268
	<hr/>
Amortisation and impairment	
At 1 July 2015	15,197,678
Amortisation charged for the year	1,351,945
Disposals	(7,246,347)
	<hr/>
At 30 June 2016	9,303,276
	<hr/>
Carrying amount	
At 30 June 2016	1,396,992
	<hr/> <hr/>
At 30 June 2015	2,013,673
	<hr/> <hr/>

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2016****10 Tangible fixed assets**

	Stadium and academy	Freehold land	Assets under construction	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost						
At 1 July 2015	45,772,725	804,000	620,948	4,852,313	3,813,887	55,863,873
Additions	-	-	234,095	-	-	234,095
Disposals	(5,235,564)	-	(607,222)	(1,904,476)	(446,958)	(8,194,220)
Transfers	22,920	-	(219,708)	198,497	(1,709)	-
At 30 June 2016	40,560,081	804,000	28,113	3,146,334	3,365,220	47,903,748
Depreciation and impairment						
At 1 July 2015	14,141,068	-	-	3,446,104	3,142,759	20,729,931
Depreciation charged in the year	901,307	-	-	425,655	205,633	1,532,595
Eliminated in respect of disposals	(1,535,884)	-	-	(1,707,183)	(408,907)	(3,651,974)
At 30 June 2016	13,506,491	-	-	2,164,576	2,939,485	18,610,552
Carrying amount						
At 30 June 2016	27,053,590	804,000	28,113	981,758	425,735	29,293,196
At 30 June 2015	31,631,657	804,000	620,948	1,406,209	671,128	35,133,942

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

11 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	12	2,150,001	2,150,001
Other investments		14,221	14,221
		<u>2,164,222</u>	<u>2,164,222</u>

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

The other fixed investments are medals and there has been no movement during the year.

Movements in fixed asset investments

	Shares in group undertakings £	Other £	Total £
Cost or valuation			
At 1 July 2015 & 30 June 2016	2,150,001	14,221	2,164,222
Carrying amount			
At 30 June 2016	2,150,001	14,221	2,164,222
At 30 June 2015	2,150,001	14,221	2,164,222

12 Subsidiaries

Details of the company's subsidiaries at 30 June 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Bolton Whites Hotel Limited	England and Wales Provision of hotel and catering services	Ordinary	100.00	
Bolton Sports Village Limited	England and Wales Dormant company	Ordinary	100.00	

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,511,451	7,665,998
Equity instruments measured at cost less impairment	14,221	14,221
	<u>3,525,672</u>	<u>7,680,219</u>
Carrying amount of financial liabilities		
Measured at amortised cost	216,243,577	217,277,208

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

14	Stocks		2016	2015
			£	£
	Finished goods and goods for resale		121,700	256,213
15	Debtors		2016	2015
			£	£
	Amounts falling due within one year:			
	Trade debtors		2,820,154	3,536,577
	Amounts due from subsidiary undertakings		-	3,706,705
	Other debtors		287,297	18,716
	Prepayments and accrued income		1,836,665	1,385,092
			4,944,116	8,647,090
	Amounts falling due after more than one year:			
	Trade debtors		404,000	404,000
	Total debtors		5,348,116	9,051,090
16	Creditors: amounts falling due within one year		2016	2015
		Notes	£	£
	Bank loans and overdrafts	18	-	4,673,332
	Obligations under finance leases	19	-	10,406
	Other borrowings	18	2,500,000	2,500,000
	Trade creditors		1,135,887	1,806,819
	Amounts due to group undertakings		27,743,131	27,792,408
	Other taxation and social security		1,287,458	2,888,719
	Deferred income	20	2,204,265	3,476,863
	Other creditors		5,443,148	5,483,421
	Accruals and deferred income		4,420,735	4,210,083
			44,734,624	52,842,051

Deferred income consists of season tickets, sponsorship and other monies which were received prior to the year end but which were in respect of future periods. Also included in deferred income are grants and other contributions to the cost of the stadium of £264,167 (2015: £289,468).

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	19	-	17,635
Other borrowings	18	4,002,527	2,527
Amounts due to group undertakings		170,304,517	170,304,517
Deferred income	20	5,133,382	5,318,188
Accruals and deferred income		693,632	476,060
		<u>180,134,058</u>	<u>176,118,927</u>

Deferred income consists of grants and other contributions to the cost of the stadium of £5,133,382 (2015: £5,318,188).

18 Loans and overdrafts

	2016 £	2015 £
Bank loans	-	4,673,332
Other loans	6,502,527	2,502,527
	<u>6,502,527</u>	<u>7,175,859</u>
Payable within one year	2,500,000	7,173,332
Payable after one year	4,002,527	2,527
	<u>2,500,000</u>	<u>7,173,332</u>

All loans are secured by fixed and floating charges over the assets of the company.

Included within other loans greater than one year is £4m (2015: £nil) owed to Sports Shield BWFC Limited. Interest is charged on this loan at 24% per annum and repayment of both capital and interest is due on 10 March 2018. The quantum and security of this loan balance is disputed as disclosed within the related party transaction note.

During the prior year the company borrowed £2.5m from B Warburton (a former director) and this amount remained outstanding at the balance sheet date. Interest is charged at 5% above base rate and the balance is secured over land. As at 30 June 2016 £144,213 (2015: £nil) of interest has been debited to the profit and loss account. Repayment of this loan is dependant upon the sale of land. If sold pre 1 March 2018 the loan is repayable in full. If post 1 March 2018, £500k is repayable on 1 March 2018 and the remained is repayable on the sale of the land.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

19 Finance lease obligations

	2016	2015
	£	£
Future minimum lease payments due under finance leases:		
Within one year	-	10,406
In two to five years	-	17,635
	-	28,041
	-	28,041

20 Deferred income

	2016	2015
	£	£
Arising from government grants	5,397,549	5,607,656
Other deferred income	1,940,098	3,187,395
	7,337,647	8,795,051
	7,337,647	8,795,051
Deferred income is included in the financial statements as follows:		
Current liabilities	2,204,265	3,476,863
Non-current liabilities	5,133,382	5,318,188
	7,337,647	8,795,051
	7,337,647	8,795,051

21 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	108,572	137,585
	108,572	137,585
	108,572	137,585

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

22 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
40,000 Ordinary of £3 each	120,000	120,000
3,750 Special Ordinary of £1 each	3,750	3,750
	123,750	123,750
	123,750	123,750

All shares rank pari-passu in respect of the all share classes.

23 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	300,000	-
Between two and five years	1,200,000	-
	1,500,000	-
	1,500,000	-

24 Events after the reporting date

During the prior year the company sold and leased back the car park to Prescot Business Park Limited for £5.5m. In January 2017 the company forfeited the lease and this will result in a disposal of the car park and subsequent profit on disposal to be included in the 30 June 2017 accounts, amounting to £4.4m.

In March 2017, the company resolved a dispute surrounding the termination of the employment contract for D Holdsworth, a director and shareholder of the group by way of his interest in Sports Shield BWFC Limited. D Holdsworth was awarded compensation of £50,000 plus legal fees.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

25 Related party transactions

Transactions with related parties

During the year Bolton Wanderers Development Association (Chorley) Limited donated £271,819 (2015: £308,657) to Bolton Wanderers Football & Athletic Company Limited as contribution to the cost of projects completed by the company. At the balance sheet date the company was owed £384,774 (2015: £325,935) by Bolton Wanderers Development Association (Chorley) Limited.

Also during the year the company provided for a loan balance totalling £211,773 (2015: £nil) owed by Fronesis Learning Limited. This balance has been written off to the profit and loss account.

In March 2016, as part of the acquisition from Fildraw Private Trust Company Limited, the Group received £4m from Sports Shield BWFC Ltd. There is a guarantee in place for £5m as BluMarble Capital Limited required that the assets of the Group were used as security as a condition for making the loan to Sports Shield BWFC Limited. The validity of this guarantee is disputed. Furthermore there is a dispute as to the interpretation of the clause in the shareholders' agreement which references fees, costs and expenses incurred in relation to the BluMarble facility and onward loan to the club by Sports Shield BWFC Limited being borne by the company. Consequently the accounts for the Group show indebtedness to Sports Shield BWFC Limited of £4m whilst the facility agreement refers to a loan of £5m.

The facility repayment date between the Group and Sports Shield BWFC Limited is March 2018. The directors understand that the date by which Sports Shield BWFC Limited must repay this balance has passed and BluMarble Capital Limited may have an option to exercise its security. The directors dispute this and are in dialogue with BluMarble Capital Limited around its intentions. This loan incurs interest at 24% pa compound and during the year interest totalling £329,729 (2015: £nil) has been debited to the profit and loss account.

In May 2016, as part of a settlement of a dispute to resolve certain issues, the company paid £250,000 (2015: £nil) to Sports Shield BWFC Limited in relation to charges incurred by them in effecting the change of ownership.

In the prior year £9,485,000 of accrued interest payable was waived in relation to the Fildraw Limited loan.

No other guarantees have been given or received.

26 Directors' transactions

As disclosed in note 18, during the prior year the company borrowed £2.5m from B Warburton (a former director) and this amount remained outstanding at the balance sheet date. Interest is charged at 5% above base rate and the balance is secured over land. As at 30 June 2016 £144,213 (2015: £nil) of interest has been debited to the profit and loss account. Repayment of this loan is dependent upon the sale of land. If sold pre 1 March 2018 the loan is repayable in full. If post 1 March 2018, £500k is repayable on 1 March 2018 and the remained is repayable on the sale of the land.

27 Controlling party

The parent and controlling party is Burnden Leisure Limited, a company registered in England and Wales. Burnden Leisure Limited is principally owned by Inner Circle Investments Ltd and Sports Shield BWFC Limited.

BOLTON WANDERERS FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

28 Cash generated from operations	2016	2015
	£	£
Loss for the year after tax	(6,092,696)	(4,636,412)
Adjustments for:		
Finance costs	508,990	262,309
Investment income	(272,535)	(9,262,402)
Profit/(loss) on disposal of fixed assets	(2,135,989)	(3,605,036)
Amortisation and impairment of intangible assets	1,351,945	1,537,362
Depreciation and impairment of tangible fixed assets	1,532,595	1,660,890
Movements in working capital:		
Decrease/(increase) in stocks	134,513	(183,037)
Decrease in debtors	3,702,974	208,352
(Decrease)/increase in creditors	(1,933,519)	2,704,913
(Decrease)/increase in deferred income	(1,457,404)	34,033
Cash absorbed by operations	<u>(4,661,126)</u>	<u>(11,279,028)</u>