Company Registration No. 335699

BURNDEN LEISURE PLC

Annual Report and Financial Statements

for the year ended 30 June 2013

REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B Cooper (appointed 3 September 2012)
P A Gartside
R Gee (appointed 23 January 2013)
A Massey (appointed 15 April 2013)
P Mulligan (resigned 16 August 2012)
W B Warburton

SECRETARY

A Massey (appointed 16 August 2012)
P Mulligan (resigned 16 August 2012)

REGISTERED OFFICE

Reebok Stadium
Burnden Way
Lostock
Bolton
BL6 6JW

BANKERS

Barclays Bank plc
Market Street
Bolton
BL1 1XA

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester

REGISTRARS

Neville Registrars
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group together with the financial statements and auditor's report for the year ended 30 June 2013.

PRINCIPAL ACTIVITIES AND ENHANCED BUSINESS REVIEW

The principal activity of the Group is that of a professional football club together with related commercial activities, a stadium incorporating an integrated hotel with accommodation, conference and leisure facilities and an integrated business centre. A detailed review of the Group's business and an indication of the likely future developments are contained in the Chairman's Statement set out on pages 5 to 7.

During the year the Group continued to invest in both the playing squad and facilities with £4.0m of additions to the playing squad and £1.4m of additions to fixed assets. The net book value of the playing squad as at 30 June 2013 stood at £1.7m (2012: £19.0m) after an impairment loss of £11.2m has been recognised against the carrying value of the playing squad. The retained loss of £50.7m (2012: £22.1m) has arisen as a consequence of continued investment in the playing squad, whilst trying to maintain the infrastructure of the business in an attempt to secure promotion. The loss also includes £13.9 million relating to the impairment of the playing squad and certain onerous contract provisions.

On 6 March 2013, the club acquired Fronesis Learning Limited which is now a wholly owned subsidiary of Burnden Leisure that specialises in the development of sport education programmes.

As noted in note 32, post the period end, the Group acquired the remaining share of Bolton Whites Hotel Limited.

The Board acknowledges there are risks which affect the Group and seeks to minimise these risks wherever possible. These risks are reviewed regularly through the Group's management and planning processes. The primary risk at Group level is around funding and ongoing reliance on the Group's principal shareholder Eddie Davies. This risk is mitigated through continual and regular provision of information and dialogue with Eddie Davies. In the core activity of football, the primary risk is related to the uncertainty of on-the-field results. 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; these include: administration, secretarial, financial, commercial, and health and safety issues.

Key performance indicators are used to measure and evaluate Group performance and monitor various activities throughout the Group. The main key performance indicators employed in the Group are:

Group:		
• Revenue levels		
• football	£ 28,538,000	(2012: £58,450,000)
• other	£ 6,543,000	(2012: £6,454,000)
• Loss levels		
• gross	£ 29,418,000	(2012: £10,686,000 loss)
• net	£ 50,701,000	(2012: £22,115,000 loss)
• Staff costs	£ 37,416,000	(2012: £55,342,000)
• Average attendance levels	18,093	(2012: 23,670)
• Average ticket prices	£ 8.15	(2012: £10.00)
• Levels of net debt	£ 163,815,000	(2012: £136,500,000)
Hotel:		
• Occupancy rates	80%	(2012: 79%)
• Average room rates	£ 49.00	(2012: £45.85)
• Revenue per available room	£ 39.08	(2012: £36.93)

The Board monitors these on a monthly basis.

DIRECTORS' REPORT (continued)

GOING CONCERN

In ensuring that the Group has sufficient liquid resources to meet its liabilities as they fall due, the directors have reviewed in detail the business' cash flow projections on a number of different scenarios. One of these scenarios includes what the directors consider to be a reasonable downside scenario which they consider prudent to adopt as part of the going concern exercise. These forecasts and projections, pre mitigations, which have been adopted for going concern, after taking account of reasonably possible changes in on-pitch performance, show a funding requirement compared to the current level of facilities. This funding requirement arises immediately following 12 months from the signing of these accounts. The directors are currently in discussions with lenders to provide the Company with adequate working capital facilities and they believe that sufficient funding, if required, could be obtained.

However the forecasts adopted for going concern show that, in the absence of obtaining further borrowings from the Group's lenders or owner, the Group has a range of mitigating actions which are under the Board's control. These actions include the sale of players, deferral of discretionary capital expenditure and securitisation of future season ticket sales. The Group does not currently expect to require the implementation of these mitigating actions, however if required, these actions could be implemented to prevent a future funding shortfall.

On the basis of the disclosures above, the directors have a reasonable expectation that the Group 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 Group's loss for the year was £50,701,000 (2012: £22,115,000).

Interest was paid on the 7p (net) cumulative convertible debt on 31 December 2012 and 30 June 2013 amounting to £134,000 (2012: £134,000).

No dividend can be paid (2012: same)

The retained loss of £50,701,000 (2012: £22,115,000) has been withdrawn from reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and thereafter (except as noted) are set out on page 1.

The interests of the directors in the issued share capital of the Company are set out in note 8 to the financial statements. None of the directors had an interest in any contracts with the Company or its subsidiary undertakings during the year except as disclosed in note 31.

SUPPLIER PAYMENT POLICY

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Company at 30 June 2013 were equivalent to 20 (30 June 2012: 41) days' purchases, based on the average daily amount invoiced by suppliers during the year.

FIXED ASSETS

At the balance sheet date, an amount of £1,656,000 (2012: £19,038,000) is carried forward in intangible fixed assets, representing the unamortised cost of players' registrations. Following a review of the carrying value of the Group's fixed assets, at the period end, the intangible assets on the balance sheet were impaired by £11,221,000.

Following the balance sheet date, the Group acquired a number of player registrations which are not included within the intangible asset balance. The directors estimate that the current value of the playing squad to be approximately £14,100,000 (2012: £49,750,000).

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

DIRECTORS' REPORT (continued)

CHARITABLE DONATIONS

There were £8,203 of charitable donations in the year (2012: £3,600).

POST BALANCE SHEET EVENTS

Subsequent events are disclosed in note 32.

EMPLOYEES

The Group has comprehensive employment policies in place designed to motivate its employees by the achievements of their particular Company and the ways in which their knowledge and skills can best contribute towards its success.

The Group is committed to ensuring that our workplaces are free from unlawful or unfair discrimination on the grounds of disability, colour, race, nationality, ethnic or national origin, gender, sexual orientation, age, marital status or religion. We aim to ensure that our employees achieve their full potential by encouraging them to attend courses and embrace development opportunities. All employee recruitment, development and promotion decisions are taken without reference to irrelevant or discriminatory criteria.

The Group also provides employees with information on matters of concern to them and consults with them on matters that may affect their interests via a staff consultative committee. Schemes are implemented to ensure that the loyalty and performance of employees is properly rewarded. In recognition of its employment policies the Football Club again retained the Investor in People status which it has held since 2005.

AUDITOR

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 auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board

PA Gartside

P Gartside
Director
20 December 2013

CHAIRMAN'S STATEMENT

In my statement last year, I stressed the importance of endeavouring to regain Premiership status at the first opportunity. Unfortunately, the 2012/2013 season started badly on the field and, after only a dozen or so games, the Board resolved that a change of the First Team Management was required in order to maintain the prospect of promotion.

We welcomed Dougie Freedman and his team to the Club in October 2012. A young and ambitious manager, his enthusiasm for, and knowledge of, the game is evident. His leadership and the Team's rekindled determination took us from 20th to 7th position in the Championship, ultimately to miss out on the play off places on goal difference on the final day of the season. The Championship is a very competitive league and whilst the play offs do not guarantee promotion, we were on fantastic form at that time and, I honestly believe, we could have achieved it.

In 2012/13 the Club continued to invest in the playing squad, with Andrews, Mills, McKee and Lonergan joining during the Summer transfer window. Afobe, Spearing, Warnock and Butterfield were brought in on loan to boost the squad. The January transfer window was also busy, with the signings of Davies, Bolger and Kamara; and with Dawson, Gregus and De Ridder joining on loan. We also allowed Petrov to join Spanish team Espanyol.

Following the end of the season several players left the Club, including Kevin Davies. I would like to take this opportunity again to thank Kevin for all his effort, leadership and commitment during his time with us, and to wish him further success in the future.

I stated last year that a change of business strategy was under way to ready the Club for the 2012/13 season, and that change is ongoing. New diversified revenue streams continue to be identified and invested in, both to support our core activity of football and also to protect against the variability of income from football activities.

In November, we announced a joint long-term development Masterplan for the Reebok Stadium and Bolton Arena. The Masterplan proposes the creation of a major regional sports and education centre at Middlebrook, together with hotel, commercial, office and residential accommodation. Despite the difficult economic environment, the Board and the Bolton Arena Trust are working together to secure a long-term, sustainable future for both these world-class facilities; otherwise, without further investment, development and growth, decline is ultimately inevitable. In addition, we will continue to upgrade our facilities at the Bolton Wanderers Eddie Davies Football Academy site with a detailed planning application for a new Pavilion building and the installation of floodlighting to our full-size artificial-surface pitch.

The Club's education arm has grown 10-fold in the last 3 years based on student numbers and revenues. We are delivering a wide curriculum to around 300 part and full time students, including over 30 students on the International Football Studies Programme. The international students are undertaking 1, 2 and 3 year residential programmes, studying a combination of Btec and IBCC courses. Through innovative teaching styles and several tutors with backgrounds in professional sport, courses combine elite sports coaching with academic and vocational studies. The examination successes of the students, many from disadvantaged backgrounds, and the positive outcomes that have been achieved are a credit to everyone involved. As a result of the success of the education programmes we have applied to transfer to Free School status. We are confident, subject to receipt of necessary consents and approvals, that we will be ready to re-open under that formalised funding structure in September 2014.

Many will also be aware that the Club has released De Vere Venues as joint venture partner at the Hotel, and will now actively and directly manage the Hotel and Stadium hospitality facilities.

Finally, 2011 saw the passing of Nat Lofthouse. This year I'm proud to say that through an impressive fund raising effort by the Club, the supporters and also our sponsors, we unveiled an inspirational statue of Nat just prior to what would have been his 88th birthday. He will stand as a constant reminder of the passion that we all have for our Club, through both better and worse.

Business Review

Turnover from the football operations in the year reduced by £30.0m to £28.5m (2012: £58.5m) primarily due to the reduction in broadcasting revenues following relegation from the Premier League. Attendances at league matches, for instance, have reduced by 24% to an average of 18,093.

The Club once again placed a key focus on affordability and for the fourth successive year froze season ticket prices and has extended the interest-free direct debit scheme to 10 months. Our fans are the lifeblood of our Club and, although these policies are not easy for the Club in financial terms, it is crucial that we offer as much help to our supporters as we can in these difficult economic times.

CHAIRMAN'S STATEMENT

Business Review (continued)

Revenue from Corporate Hospitality reduced by 41% to £1.1m (2012: £1.8m) and Sponsorship and advertising revenues reduced by 68% to £1.4m (2012: 4.3m). Merchandising and licensing income reduced by 41% to £1.1m (2012: £1.8m). However, we did manage to retain the majority of the local sponsors, even as the global appeal waned following reduced TV coverage.

Headline operating costs for the year reduced by 15% to £64.5m (2012: £75.6m). However a one off impairment charge and the cost of onerous contracts have been taken in 2012/13. Excluding these specific costs, underlying operating costs have reduced by 33% to £50.6m, which included a reduction in staff costs of £17.9m to £37.4m (2012: £55.3m). This is a result of a number of players leaving us at the end of the 2011/2012 season, as well as the Club invoking relegation clauses in a number of player contracts.

General administration expenses, including the cost of running and maintaining the stadium, the training facilities and the Academy, have been closely managed and reduced by 10% to £14.1m (£15.7m).

The Hotel managed to increase both occupancy and average room rate over the year as management responded strongly to the prevailing market conditions. Average room rate increased by £3.15 at £49.00 (2012: £45.85) and revenue per available room (RevPar) increased by £2.15 to £39.08 (2012: £36.93).

Looking ahead

The new Financial Fair Play (FFP) rules are a huge challenge for many clubs, including Bolton Wanderers. As revenue from the Premier League continues to increase, the gap between the Premier League 'regulars' and Championship 'regulars' continues to widen. We, and other clubs who were recently in the Premier League, face real, short-term difficulties in maintaining performance on the pitch whilst having very quickly to adjust to a massive, overnight drop in income – notwithstanding parachute payments. I believe FFP is a positive step for the longer term stability of the game, but the transition arrangements for us and others are insufficient: unfailing hard work, resilience and vigilance throughout the 2013/2014 period will again be required.

A changing environment brings with it new opportunities, so long as one evolves to remain strong. The Board has recognised that its absolute priority is to ensure long-term sustainability based upon Championship revenues, with success on and off the pitch to come through prudent management and internal development. This Club is a community club and, despite the very generous support of its owner, it cannot now expect, or buy, promotion to the Premier League. Therefore, we are responding with careful business management, improvement and development of the wider Burnden Leisure business interests, and we will continue to invest where the returns can be justified in both the short and long term.

As I said earlier in this statement, we have now taken full control of the Hotel after reaching an agreement with De Vere Venues. The Hotel is now being rebranded as the Bolton Whites Hotel and it will be run as an independent business within Burnden Leisure, under the Bolton Wanderers umbrella. The change will also see lifelong Bolton fan and two-Michelin starred chef Paul Heathcote deliver the catering and hospitality in both the Hotel and the Stadium under his own name.

It should go without saying that Eddie Davies continues to provide a humbling level of support to the Club, whilst also allowing me and the management team the autonomy to oversee the day to day running of the business. Last year, Eddie showed his commitment to the Club's sustainable future by converting the debt to long term debt. Furthermore, prior to the end of the financial year, he agreed to reduce the interest payable on the debt to 0% effective from 1 July 2013. On behalf of the Board, shareholders and supporters, I would again like to pay tribute to his indomitable generosity and encouragement through another difficult year.

Finally, on behalf of myself and the Board, I would to thank all the members of staff and management for their hard work during the year. I would also like to thank our supporters and sponsors for their continued to support.

Philip Gartside
Chairman

DIRECTORS' RESPONSIBILITIES STATEMENT

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 group and parent company and of the profit or loss of the group 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 accounting 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNDEN LEISURE PLC

We have audited the financial statements of Burnden Leisure plc for the year ended 30 June 2013 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 33. 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).

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 Auditing Practices Board's Ethical Standards 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 group's and 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 30 June 2013 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Damian Sanders (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
20 December 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2013

	Note	2013 Operations excluding player trading £'000	2013 Player Trading £'000	2013 Total £'000	2012 Total £'000
TURNOVER					
Football	2	28,538	-	28,538	58,450
Other	2	6,543	-	6,543	6,454
		35,081	-	35,081	64,904
Cost of sales	11	(43,815)	(20,684)	(64,499)	(75,590)
GROSS LOSS		(8,734)	(20,684)	(29,418)	(10,686)
Administrative expenses		(14,107)	-	(14,107)	(15,707)
OPERATING LOSS		(22,841)	(20,684)	(43,525)	(26,393)
Profit on transfer of player registrations	3	-	17	17	10,254
Profit/(loss) on disposal of tangible fixed assets		2	-	2	(67)
Academy naming rights		-	-	-	(310)
Investment income	4	416	-	416	439
Interest payable and similar charges	5	(7,545)	-	(7,545)	(6,036)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(29,968)	(20,667)	(50,635)	(22,113)
Tax on ordinary activities	9	-	-	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(29,968)	(20,667)	(50,635)	(22,113)
Minority interests	22	(66)	-	(66)	(2)
LOSS FOR THE FINANCIAL YEAR	23	(30,034)	(20,667)	(50,701)	(22,115)

Player trading consists of the amortisation of the costs of acquiring player registrations, an impairment charge against the player registrations balance, a provision against certain onerous contracts, profit on disposal of player registrations and the gains/losses on the player related foreign exchange movement.

All activity has arisen from continuing operations.

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

The group has no recognised gains or losses other than those reported above for the current and previous years, and consequently a consolidated statement of total recognised gains and losses has not been prepared.

CONSOLIDATED BALANCE SHEET
As at 30 June 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Intangible assets	11	1,656	19,038
Tangible assets	12	47,996	48,709
Investments	13	14	14
		49,666	67,761
CURRENT ASSETS			
Stocks	14	440	602
Debtors	15	5,280	6,580
Cash at bank and in hand		645	503
		6,365	7,685
CREDITORS: amounts falling due within one year	16	(45,471)	(40,748)
NET CURRENT LIABILITIES		(39,106)	(33,063)
NON CURRENT ASSETS			
Debtors falling due after more than one year		550	1,100
TOTAL ASSETS LESS CURRENT LIABILITIES		11,110	35,798
CREDITORS: amounts falling due after more than one yea			
Other creditors	17	(160,580)	(137,329)
Convertible debt	18	(2,907)	(2,907)
		(163,487)	(140,236)
PROVISIONS FOR LIABILITIES	19	(2,696)	-
NET LIABILITIES		(155,073)	(104,438)
CAPITAL AND RESERVES			
Called up share capital	20	18,702	18,702
Share premium account	21	344	344
Capital redemption reserve	21	308	308
Profit and loss account	21	(177,764)	(127,063)
SHAREHOLDERS' DEFICIT	23	(158,410)	(107,709)
Minority interest	22	3,337	3,271
TOTAL CAPITAL EMPLOYED		(155,073)	(104,438)

The financial statements of Burnden Leisure PLC, registered number 335699 were approved by the board of directors and authorised for issue on 20 December 2013.

Signed on behalf of the Board of Directors

P Gartside
Director

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

COMPANY BALANCE SHEET
As at 30 June 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Investments	13	9,692	9,692
CURRENT ASSETS			
Debtors	15	40,741	138,629
Cash at bank and in hand		20	228
		40,761	138,857
CREDITORS: Amounts falling due within one year	16	(400)	(677)
NET CURRENT ASSETS		40,361	138,180
TOTAL ASSETS LESS CURRENT LIABILITIES		50,053	147,872
CREDITORS: amounts falling due after more than one year			
Other creditors	17	(151,304)	(124,831)
Convertible debt	18	(2,907)	(2,907)
NET (LIABILITIES)/ASSETS		(104,158)	20,134
CAPITAL AND RESERVES			
Called up share capital	20	18,702	18,702
Share premium account	21	344	344
Capital redemption reserve	21	308	308
Profit and loss account	21	(123,512)	780
SHAREHOLDERS' (DEFICIT)/FUNDS		(104,158)	20,134

The financial statements of Burnden Leisure PLC, registered number 335699 were approved by the board of directors and authorised for issue on 20 December 2013.

Signed on behalf of the Board of Directors.

PA [signature]

P Gartside
Director

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

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2013

	Note	2013 £'000	2012 £'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	24	(20,789)	(12,970)
Returns on investments and servicing of finance	25	(603)	(9,194)
Capital expenditure and financial investment	25	(5,923)	(3,668)
CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(27,315)	(25,832)
Financing	25	26,153	24,475
REDUCTION IN CASH IN THE YEAR	26,27	(1,162)	(1,357)

The accompanying notes are an integral part of this consolidated cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1. **ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom. A summary of the principal accounting policies are set out below. They have all been applied consistently throughout the year.

Basis of preparation

Going concern

As set out in the Directors' Responsibilities Statement on page 8, 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 Group will continue in business. In satisfaction of this responsibility the directors have considered the Group's ability to meet its liabilities as they fall due. As disclosed in Note 17, the Group meets its day to day working capital requirements with a combination of a £151 million long term loan from Moonshift Investments Ltd and an overdraft and short term working capital facility provided by Barclays Bank plc.

The facilities with Barclays Bank plc, consisting of an overdraft facility of £5 million and a short term working capital facility which varies between £3 million and £5 million, are due for renewal in June 2014. The directors are in regular contact with Barclays and based on the latest discussions, are confident that Barclays will enter into positive negotiations regarding the renewal of the facility.

In ensuring that the Group has sufficient liquid resources to meet its liabilities as they fall due, the directors have reviewed in detail the business' cash flow projections on a number of different scenarios. One of these scenarios includes what the directors consider to be a reasonable downside scenario which they consider prudent to adopt as part of the going concern exercise. These forecasts and projections, pre mitigations, which have been adopted for going concern, after taking account of reasonably possible changes in on-pitch performance, show a funding requirement compared to the current level of facilities. This funding requirement arises immediately following 12 months from the signing of these accounts. The directors are currently in discussions with lenders to provide the Company with adequate working capital facilities and they believe that sufficient funding, if required, could be obtained.

However the forecasts adopted for going concern show that, in the absence of obtaining further borrowings from the Group's lenders or owner, the Group has a range of mitigating actions which are under the Board's control. These actions include the sale of players, deferral of discretionary capital expenditure and securitisation of future season ticket sales. The Group does not currently expect to require the implementation of these mitigating actions, however if required, these actions could be implemented to prevent a future funding shortfall.

On the basis of the disclosures above, the directors have a reasonable expectation that the Group 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.

Basis of consolidation

The Group financial statements consolidate the financial statements of Burnden Leisure plc and its subsidiary undertakings and are drawn up to 30 June each year. The results of subsidiaries acquired or disposed of during the period are consolidated for the period from the effective date of acquisition or until the effective date of disposal.

Joint ventures are entities in which the group holds an interest on a long-term basis and which are jointly controlled with one or more parties under a contractual arrangement. Joint ventures are accounted for using the equity method. Losses of a joint venture in excess of the group's interest in the joint venture are not recognised, except to the extent that the group has incurred obligations in respect of the joint venture. Unrealised profits and losses recognised by the group on transactions with a joint venture are eliminated to the extent of the group's interest in the joint venture concerned.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

1. **ACCOUNTING POLICIES (continued)**

Intangible assets – player transfer and agents fees

In accordance with FRS 10 "Goodwill and intangible assets", fees payable on the transfer of players' registrations are capitalised at cost and written off over the length of the 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. 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 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.

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, 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:

Freehold land	No depreciation charge
Assets in the course of construction	No depreciation charge
Stadium and academy	50 years
Hotel	50 years
Plant, equipment and vehicles	3 to 10 years

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

Fixed asset investments

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost 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.

Certain operating supplies are treated as based stock and renewals and replacements of such stock are written off to the profit and loss account as incurred.

Finance costs

Finance costs of debt and non-equity shares are recognised in the profit and loss account over the terms of such instruments at a constant rate on the carrying amount. Where the finance costs for non-equity shares are not equal to the dividends of these instruments, the difference is also accounted for in the profit and loss account as an appropriation of profits.

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. Convertible debt is reported as a liability unless conversion actually occurs. No gain or loss is recognised on conversion.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

1. **ACCOUNTING POLICIES (continued)**

Taxation

Current tax, including 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 Group'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 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 respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst additional facility fees for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the season.

Pension costs

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 Group provides pension facilities to certain members of staff through The Football League Limited Players Retirement Scheme, a defined contribution scheme and The Football League Limited Pension and Life Assurance Scheme, a defined benefit scheme. The amounts charged to the profit and loss account are the contributions payable in the period (see note 7).

Foreign currencies

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

Leases and hire purchase obligations

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

1. ACCOUNTING POLICIES (continued)

Leases and hire purchase obligations (continued)

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. SEGMENT INFORMATION

Classes of business:

	Football activities		Non-football activities		Group	
	2013	2012	2013	2012	2013	2012
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Hotel	-	-	6,543	6,454	6,543	6,454
Football:						
Gate receipts	3,763	5,724	-	-	3,763	5,724
Broadcasting	19,087	42,562	-	-	19,087	42,562
Corporate hospitality	1,060	1,787	-	-	1,060	1,787
Merchandise/licensing	1,089	1,831	-	-	1,089	1,831
Sponsorship/advertising	1,379	4,255	-	-	1,379	4,255
Other football income	2,160	2,291	-	-	2,160	2,291
	28,538	58,450	6,543	6,454	35,081	64,904
Operating loss	(41,679)	(23,628)	(1,846)	(2,765)	(43,525)	(26,393)
Profit on transfer of player registrations	17	10,254	-	-	17	10,254
Loss after player trading	(41,662)	(13,374)	(1,846)	(2,765)	(43,508)	(16,139)
Profit/(loss) on disposal of tangible fixed assets					2	(67)
Academy naming rights					-	(310)
Investment income					416	439
Interest payable and similar charges					(7,545)	(6,036)
Loss on ordinary activities before taxation					(50,635)	(22,113)
Segment net (liabilities)/assets	(155,760)	(106,309)	164,501	138,371	8,741	32,062
Net borrowings*(not allocated)					(163,814)	(136,500)
Group net liabilities					(155,073)	(104,438)

The Group's turnover, results and net assets were derived from operations located in the United Kingdom.

* Net borrowings comprise cash and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

3. PROFIT ON TRANSFER OF PLAYER REGISTRATIONS

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

In relation to these items there is no effect on the amounts charged to the profit and loss account for taxation in either year due to the availability of losses.

4. INVESTMENT INCOME

	2013 £'000	2012 £'000
Interest receivable and similar income	416	439

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Loans and overdrafts	7,401	5,846
Finance leases and hire purchase contracts	10	56
Other loans	134	134
	7,545	6,036

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £'000	2012 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation		
- owned assets	1,942	2,165
- assets held under finance leases	135	135
Amortisation of intangible fixed assets	9,470	12,800
Impairment of intangible fixed assets	11,221	1,649
Onerous contracts provision (note 19)	2,696	-
Restructuring costs of previous management team	2,323	921
Foreign exchange gains	(7)	(150)
Amortisation of grants	(177)	(175)
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	20	10
Fees payable to the Company's auditor for other services to the Group		
- The audit of the Company's subsidiaries' annual and interim accounts pursuant to legislation	49	43
Total audit fees	69	53
- Tax services paid to the Company's auditor	59	94
- Consultancy services paid to the Company's auditor	4	65
Total non-audit fees	63	159

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

7. STAFF COSTS

	2013 No.	2012 No.
Average number of persons employed (including directors)		
Management and administration	206	208
Football players	59	60
	265	268

	2013 £'000	2012 £'000
Their aggregate remuneration comprised		
Wages and salaries	32,717	48,385
Social security costs	4,467	6,299
Pension costs	232	658
	37,416	55,342

Staff costs include a provision of £2.7m for onerous contracts representing the difference between the salaries paid by the Group and the salaries recovered for players who at the balance sheet date were either not able to fulfil their contractual obligations or the directors were willing to loan out and subsequently have gone on loan. Further detail is included in note 19.

Certain staff of the Group 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 Group 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 Group has therefore adopted the multi-employer scheme exemption under FRS 17 Retirement Benefits 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 Group, 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 make contributions to reduce the deficit. 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. As a notional apportionment of the deficit has been calculated, the Group has reflected that amount on the balance sheet. However, in the absence of a full actuarial apportionment of the scheme's assets and liabilities the exemption afforded by FRS 17 continues to be taken. The deficit of £299,772 at 30 June 2013 (2012: £345,400) is included in Other Creditors. Following the year end, the company was advised of a potential request for acceleration in payments in order to continue the strategy of de risking the fund. The company have raised a number of questions to the trustees and await a response.

Contributions payable by the Group 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 Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

8. DIRECTORS' REMUNERATION, INTERESTS AND TRANSACTIONS

Directors' remuneration

	Basic salary £'000	Taxable benefits £'000	Pension contributions £'000	2013 Total £'000	2012 Total £'000
Executive:					
Highest paid Director	330	28	50	408	858
Other Directors	331	28	25	384	539
Aggregate emoluments	661	56	75	792	1,397

	2013 No.	2012 No.
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	1	1

Aggregate emoluments disclosed above do not include any amounts for the value of options to subscribe for ordinary shares in the Company granted to or held by the directors. Details of the options are as follows:

Directors' interests

The directors who held office at 30 June 2013, and their families, had the following interests, all of which are beneficial, in the ordinary shares of 0.1p each of the Company as shown by the register pursuant to the Companies Act 2006.

Name of director	Ordinary shares of 0.1p each Beneficial	'A' deferred shares of 5p each Beneficial	'B' deferred shares of 4.9p each Beneficial	2013 Total Beneficial	2012 Total Beneficial
P A Gartside	6,220,935	6,220,935	6,220,935	18,662,805	18,662,805
W B Warburton	15,391,735	15,391,735	15,391,735	46,175,205	46,175,205

Directors' transactions

Details of transactions with directors during the year are disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

9. TAX ON LOSS ON ORDINARY ACTIVITIES

Factors affecting the tax credit for the year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2013 %	2012 %
Standard rate of corporation tax in UK of 23.5% (2012: 25.5%)	24	26
Effects of:		
Expenses not deductible for tax purposes	(6)	(6)
Capital allowances in excess of depreciation	(1)	(2)
Non taxable items		-
Tax losses available for carry forward	(17)	(18)
	-	-

Factors which may affect future tax charges

There are tax trading losses of £141.1m (2012: £111.5m), available to carry forward at 30 June 2013. There are also capital losses carried forward of £10.7m (2012: £10.7m) and surplus ACT carried forward of £262,000 (2012: £262,000).

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

10. LOSS OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year transferred to reserves amounted to £124,150,000 (2012: £1,000 profit).

11. INTANGIBLE FIXED ASSETS

	Player transfer and agents fees £'000
Cost	
At 1 July 2012	54,464
Acquisitions	4,017
Disposals	(19,194)
At 30 June 2013	39,287
Amortisation	
At 1 July 2012	(35,426)
Charge for the year	(9,470)
Impairment	(11,221)
Disposals	18,486
At 30 June 2013	(37,631)
Net book value	
At 30 June 2013	1,656
At 30 June 2012	19,038

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

11. INTANGIBLE FIXED ASSETS (continued)

FRS 11 'Impairment of fixed assets and goodwill' states that a review for impairment of fixed assets should be carried out if events or changes in circumstances indicate that the carrying amount of the Group's fixed assets may not recoverable. The directors have concluded that the continued operating losses incurred within the business following relegation and a second season in the Championship represents a change in circumstance and accordingly have performed an impairment review. In accordance with FRS 11, the impairment review has comprised a comparison of the carrying amount of the Group's fixed assets with their recoverable amount. This has resulted in an impairment loss of £11.2 million.

In accordance with FRS 11, and in the absence of any goodwill, the directors have allocated the impairment to the intangible asset values in the balance sheet. This has been completed following a line by line assessment of the Group's individual player registrations balance, which represents the majority of the intangible asset balance.

The key assumptions within the Group's impairment review relate to the forecast league status of the Football Club over the impairment period (and associated incremental broadcasting revenue) and the discount rate used. The impairment review has been compiled based on 10 years with revenue growth consistent with current levels of contracted broadcasting revenue. The objective of the football club is to achieve promotion to the Premier League at the earliest opportunity but for the purposes of this review it is anticipated to be in the 2014/15 season.

A pre-tax discount rate of 10% was utilised based on the directors estimate of the rate implicit in market transactions of similar assets in the industry. This assessment also included a consideration of the external risk premium charged to the Group via the interest charge on its debt. If the discount rate had been 1% higher, the impairment charge would have been £13.6 million in total.

12. TANGIBLE FIXED ASSETS

GROUP	Stadium £'000	Hotel £'000	Freehold land £'000	Plant, equipment and vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 July 2012	45,619	8,905	804	11,427	38	66,793
Additions	40	-	-	566	771	1,377
Disposals	-	-	-	(21)	-	(21)
At 30 June 2013	45,659	8,905	804	11,972	809	68,149
Depreciation						
At 1 July 2012	11,401	383	-	6,300	-	18,084
Charge for the year	912	34	-	1,131	-	2,077
Disposals	-	-	-	(8)	-	(8)
At 30 June 2013	12,313	417	-	7,423	-	20,153
Net book value						
At 30 June 2013	33,346	8,488	804	4,549	809	47,996
At 30 June 2012	34,218	8,522	804	5,127	38	48,709
Leased assets included above:						
Net book value						
At 30 June 2013	-	-	-	144	-	144
At 30 June 2012	-	-	-	277	-	277

Freehold land amounting to £804,000 (2012: £804,000) has not been depreciated.

COMPANY

The Company does not own any tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

13. INVESTMENTS HELD AS FIXED ASSETS

GROUP	Medals £'000
Cost	
At 30 June 2012 and 30 June 2013	14

COMPANY	Shares in group undertakings £'000
Net book value	
At 30 June 2012 and 30 June 2013	9,692

The parent Company and the Group have investments in the following subsidiary undertakings and other investments which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted but are included in the consolidated accounts.

	Principal trading activities	Country of incorporation	Class of shares held	% shares held
Subsidiary undertakings				
Bolton Wanderers Football & Athletic Company Limited	Professional Football Club	England and Wales	3,750 special ordinary shares of £1 each	100
			40,000 ordinary shares of £3 each	100
Joint venture				
Bolton Whites Hotel Limited	Accommodation, conference and leisure facilities	England and Wales	750,000 ordinary shares of £1 each	50
			1,400,000 preference shares of £1 each	32.5

14. STOCKS

	Group 2013 £'000	Group 2012 £'000
Finished goods and goods for resale	440	602

There is no material difference between the balance sheet value of stocks and their replacement cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

15. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade debtors	3,009	2,308	1	1
Amounts owed by group undertakings	-	-	40,699	138,182
Other debtors	162	979	-	-
Prepayments and accrued income	2,109	3,293	41	446
Debtors due within one year	5,280	6,580	40,741	138,629

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Obligations under finance leases and hire purchase contracts	10	31	-	21
Bank loans	6,720	7,000	-	-
Bank overdraft	3,478	2,174	-	-
Other loans	-	8	-	8
Trade creditors	4,543	4,541	21	66
Amounts owed to group undertakings	-	-	91	91
Other taxation and social security creditors	1,847	3,572	115	391
Other creditors	330	298	-	-
Accruals	25,284	19,418	173	100
Deferred income	3,259	3,706	-	-
	45,471	40,748	400	677

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 £199,000 (2012: £189,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
Obligations under finance leases and hire purchase contracts	38	49	-	-
Other loans	151,307	124,834	151,304	124,831
Accruals	3,547	6,620	-	-
Deferred income	5,688	5,826	-	-
	160,580	137,329	151,304	124,831

Deferred income consists of 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 £5,688,000 (2012: £5,826,000).

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
Amounts payable:				
- on demand or within one year	10,198	9,182	-	8
- between one and two years	3	3	-	-
-between two and ten years	151,304	124,831	151,304	124,831
	161,505	134,016	151,304	124,839

The Group has granted a floating charge to secure bank loans, overdrafts and other loans of £161,334,000 (2012: £126,834,000).

Amounts owed to other group undertakings are unsecured, interest free and have no set repayment dates.

Obligations under finance leases and hire purchase contracts:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
Amounts payable:				
- on demand or within one year	10	31	-	21
- between one and two years	38	10	-	-
- between two and five years	-	39	-	-
	48	80	-	21

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

18. CONVERTIBLE DEBT

	Group and Company	
	2013	2012
	£'000	£'000
Convertible un-secured loan stock	1,000	1,000
1,907,490 7p net cumulative convertible redeemable preference shares	1,907	1,907
	2,907	2,907

The 0.01% convertible unsecured loan stock 1999 is convertible at the option of the holder into fully paid ordinary shares of the Company at 25p per ordinary share up to and including 31 May 2024. If the shares have not been previously redeemed or converted, they will be redeemed at par on 31 May 2024.

Cumulative Convertible Redeemable Preference Shares of 10p each (the "Convertible Preference Shares")

The holders of the Convertible Preference Shares are entitled to receive, in respect of each accounting period, a fixed cumulative preferential interest at the rate of 7p (net) per share per annum.

The holders of the Convertible Preference Shares were entitled to convert all or any of the shares into Ordinary Shares of 0.1p each on 15 May and 15 November each year, up to and including 15 November 2005, at the rate of 100 Ordinary Shares for every 23 Convertible Preference Shares held. Holders of such shares were also entitled to have them redeemed by the Company on 16 November 2005. As at that date the Company did not have sufficient reserves to redeem the Convertible Preference Shares. The Convertible Preference Shares will be carried forward until they are redeemed by the Company and will attract interest at a rate of 7p (net) per share per annum. The holders of the Convertible Preference Shares have no right (in that capacity) to attend, speak or vote at any General Meeting of the Company except in particular circumstances, for example when dividends have not been paid when due, or it is proposed that the rights of the Convertible Preference Shares will be modified.

Once all but 500,000 or fewer of the Convertible Preference Shares have been converted or redeemed the Company will be entitled to require the balance of the shareholders to convert their holding or accept redemption.

The holders of Convertible Preference Shares may at any time after 17 September 2000 require the Company to redeem all or any of their shares at a price of 100p per share plus all accruals of dividend thereon. No additional premium will arise on redemption.

On a winding up of the Company the assets available for distribution among the members will be applied first in paying the holders of the Convertible Preference Shares an amount equal to the subscription price paid plus any arrears of dividends.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

19. PROVISIONS FOR LIABILITIES

	Group 2013 £'000
Onerous contracts	
At 1 July 2012	-
Charged to profit and loss account	2,696
At 30 June 2013	2,696

This provision relates to onerous contracts representing the difference between the salaries paid by the Group and the salaries recovered for players who at the balance sheet date were either not able to fulfil their contractual obligations or the directors were willing to loan out and subsequently have gone on loan. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within two years of the balance sheet date. The value of the provision is net of any amounts the Directors deem recoverable.

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Unprovided deferred tax:				
Accelerated capital allowances	412	594	(1)	(1)
Other timing differences	(904)	(361)	-	-
Tax losses	(28,697)	(24,313)	-	-
	(29,189)	(24,080)	(1)	(1)

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

A net deferred tax asset amounting to £29.2m (2012: £24.1m) has not been recognised as at present it is not envisaged that sufficient trading profits will be generated in the foreseeable future.

20. CALLED UP SHARE CAPITAL

		Group and Company 2013 £'000	2012 £'000
Authorised			
40,667,154,730	(2012: 40,667,154,730) Ordinary Shares of 0.1p each	40,667	40,667
138,242,782	(2012: 138,242,782) 'A' Deferred Shares of 5p each	6,912	6,912
190,466,230	(2012: 190,466,230) 'B' Deferred Shares of 4.9p each	9,333	9,333
166,667	(2012: 166,667) Deferred Shares of 10p each	17	17
2,022,866	(2012: 2,022,866) 7p (net) Cumulative Convertible Redeemable Preference Shares of 10p each	202	202
		57,131	57,131
Allotted, called-up and fully-paid			
2,440,466,230	(2012: 2,440,466,230) Ordinary Shares of 0.1p each	2,440	2,440
138,242,782	(2012: 138,242,782) 'A' Deferred Shares of 5p each	6,912	6,912
190,466,230	(2012: 190,466,230) 'B' Deferred Shares of 4.9p each	9,333	9,333
166,667	(2012: 166,667) Deferred Shares of 10p each	17	17
		18,702	18,702

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

20. CALLED UP SHARE CAPITAL (continued)

7p (net) Cumulative Convertible Redeemable Preference Shares of 10p each

There are 1,907,490 (2012: 1,907,490) of 7p (net) Cumulative Convertible Redeemable Preference Shares of 10p each, now classified in creditors: amounts falling due after more than one year as subsequent to the implementation of FRS 25, they meet the presentation criteria of debt as opposed to equity.

Deferred shares, 'A' Deferred Shares and 'B' Deferred Shares

None of the holders of Deferred Shares, 'A' Deferred Shares or 'B' Deferred Shares (in that capacity) has the right to receive notice of any General Meeting of the Company nor the right to attend, speak or vote at any such General Meeting.

The holders of Deferred Shares, 'A' Deferred Shares and 'B' Deferred Shares are not entitled to receive any dividend or other distribution, except in the case of the winding up of the Company when they will rank, in the order of Deferred Shares, 'A' Deferred Shares and 'B' Deferred Shares after the Convertible Preference Shares and the amount paid up on the Ordinary Shares, and then only to the extent of the nominal amount of the Deferred Shares, 'A' Deferred Shares and 'B' Deferred Shares.

21. RESERVES

GROUP	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 July 2012	344	308	(127,063)	(126,411)
Loss for the financial year transferred from reserves	-	-	(50,701)	(50,701)
At 30 June 2013	344	308	(177,764)	(177,112)
COMPANY				
At 1 July 2012	344	308	780	1,432
Loss for the financial year transferred to reserves	-	-	(124,150)	(124,150)
Dividend transferred from reserves	-	-	(142)	(142)
At 30 June 2013	344	308	(123,512)	(122,860)

The reserves are regarded as distributable, or otherwise, as follows:

	Company £'000
Distributable	
- profit and loss account	(123,512)
Non-distributable	
- share premium account	344
- capital redemption reserve	308
	(122,860)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

22. MINORITY INTERESTS

	Total equity £'000
At 1 July 2012	3,271
Profit on ordinary activities	66
At 30 June 2013	3,337

23. RECONCILIATION OF MOVEMENT IN GROUP SHAREHOLDERS' DEFICIT

	2013 £'000	2012 £'000
Loss for the financial year	(50,701)	(22,115)
Increase in shareholders' deficit	(50,701)	(22,115)
Opening shareholders' deficit	(107,709)	(85,594)
Closing shareholders' deficit	(158,410)	(107,709)

24. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating loss	(43,525)	(26,393)
Depreciation	2,077	2,300
Amortisation of players' registrations	9,470	12,800
Impairment of intangible assets	11,221	1,649
Decrease/(increase) in stock	162	(142)
Decrease in debtors	1,657	197
Decrease in creditors	(1,851)	(3,381)
Net cash outflow from operating activities	(20,789)	(12,970)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

25. ANALYSIS OF CASH FLOWS

	2013 £'000	2012 £'000
Returns on investments and servicing of finance		
Interest paid	(595)	(9,139)
Interest element of finance lease rentals	(8)	(55)
Net cash outflow	(603)	(9,194)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,190)	(1,031)
Purchase of players	(6,010)	(12,906)
Sale of tangible fixed assets	15	5
Sale of players	1,262	10,574
Academy naming rights	-	(310)
Net cash outflow	(5,923)	(3,668)
Financing		
New loans	26,473	25,564
Repayment of loans	(288)	(914)
Capital element of finance lease rental payments	(32)	(175)
Net cash inflow	26,153	24,475

26. ANALYSIS OF NET DEBT

	At 1 July 2012 £'000	Cash flow £'000	Other non-cash changes £'000	At 30 June 2013 £'000
Cash at bank and in hand	503	142	-	645
Overdraft	(2,174)	(1,304)	-	(3,478)
	(1,671)	(1,162)	-	(2,833)
Debt due after one year	(127,741)	(26,473)	-	(154,214)
Debt due within one year	(7,008)	288	-	(6,720)
Finance leases	(80)	32	-	(48)
Net debt	(136,500)	(27,315)	-	(163,815)

27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013 £'000	2012 £'000
Decrease in cash in the year	(1,162)	(1,357)
Cash inflow from increase in debt and lease financing	(26,153)	(24,475)
Change in net debt resulting from cash flows	(27,315)	(25,832)
Other non-cash changes	-	(68)
Net debt at 1 July 2012	(136,500)	(110,600)
Net debt at 30 June 2013	(163,815)	(136,500)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

28. MAJOR NON-CASH TRANSACTIONS

There were no major non-cash transactions during the year (2012: same).

29. FINANCIAL COMMITMENTS

Capital commitments are as follows:

	Group	
	2013	**2012**
	£'000	**£'000**
Contracted for but not provided for	23	155

There were no annual commitments under non-cancellable operating leases.

30. 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 2013 is £2,084,000 (2012: £1,778,000).

31. RELATED PARTY TRANSACTIONS

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 £11,432 (2012: £20,762).

At the year end the amount owed to Bolton Wanderers Football and Athletic Company Limited by P Gartside in respect of corporate hospitality amounted to £11,432 (2012: nil).

During the year Moonshift Investments Limited (a Company in which E Davies has a beneficial interest) provided Burnden Leisure plc with loan facilities of £152,805,000 (2012: £127,000,000). At the 30 June 2013 £151,305,000 of these facilities were owed to Moonshift Investments Limited.

At the year end Bolton Wanderers Football and Athletic Company Limited owed £2,832,000 (2012: £2,832,000) to Moonshift Investments Limited in respect of a player success fee.

During the year Moonshift Investments Limited charged Bolton Wanderers Football and Athletic Company Limited £6,940,026 (2012: £5,517,000) in respect of interest, arrangement and guarantee fees. As noted in note 32, post the period end the interest rate arrangement with this party has changed whereby the rate will be 0%.

During the year Bolton Wanderers Development Association (Chorley) Ltd donated £431,000 (2012: £439,000) to Bolton Wanderers Football and Athletic Company Ltd as contribution to the cost of projects completed by Bolton Wanderers Football and Athletic Company Ltd.

At the year end Bolton Wanderers Football and Athletic Company Ltd was owed £408,000 (2012: £417,000) by Bolton Wanderers Development Association (Chorley) Ltd.

At the year end Bolton Wanderers Football and Athletic Company Ltd was owed £19,000 (2012: nil) by Fronesis Learning Ltd.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2013

32. SUBSEQUENT EVENTS

Funding

From 1 July 2013 the interest charged by Moonshift Investments Limited on loan facilities provided by it will be 0%.

Fronesis

On 1 July 2013, the Groups educational subsidiary, Fronesis Learning Limited (Company No. 07048979) formally took over all of the provision of educational services previously performed by Bolton Wanderers Football and Athletic Company Limited. Fronesis Learning Limited is a subsidiary of Burnden Leisure plc.

Player Registrations

Since the balance sheet date the Club has acquired players' registrations for a cost of £7,279,832 and will receive £514,700 for the transfer of players registration.

Bolton Whites

On 6 August 2013, the shareholding of the Bolton Whites Hotel Limited, a joint venture of the Group, changed following the refinancing of the Bolton Whites Hotel Limited loan facility with the Royal Bank of Scotland. De Vere Venues Properties Limited sold its shareholding of 749,999 ordinary shares, 750,000 preference shares and 2,155,501 redeemable preference shares to the Bolton Wanderers Football and Athletic Company Limited, a subsidiary of the Group and hence Bolton Whites Hotel Limited became a 100% subsidiary of the Group

33. CONTROLLING PARTY

Fildraw Private Trust controls the Company as a result of controlling 95% of the issued share capital. Fildraw Private Trust Company Limited is registered in Bermuda having its registered office at Richmond House, 12 Par-la-Ville Road, Hamilton, Bermuda.