BOLTON WANDERERS FOOTBALL CLUB

BURNDEN LEISURE PLC

DE VERE WHITES HOTEL

REPORT AND ACCOUNTS 2012

WELCOME TO BURNDEN LEISURE PLC

Burnden Leisure encompasses not only Bolton Wanderers Football Club, but operates the De Vere Whites Hotel, along with a multi-floor office complex, both integrated into the Reebok Stadium.

With additional facilities including the Football Academy at Lostock and training ground at Euxton, the Group is committed to generating success on and off the field through its football and commercial activities.

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CHAIRMAN'S STATEMENT

"OUR FANS' SUPERB RESPONSE SHOWED WHAT IT MEANT TO BE A WANDERERS SUPPORTER. THROUGH EXACTING TIMES, THEY WERE A SOURCE OF STRENGTH AND UNITY THAT WAS INSPIRING."

In all my time involved with Burnden Leisure and Bolton Wanderers, I have never experienced a year like 2011/12 on, or off the pitch.

Given such circumstances, our fans' superb response showed what it meant to be a Wanderers supporter. Through exacting times, they were a source of strength and a unity that was inspiring.

With all we faced and dealt with, to lose our place in the Barclays Premier League after 11 consecutive seasons in the top flight was without a doubt a major disappointment.

Our aim is to regain that place as quickly as possible. I believe we have the structure in place to take our club forward and face the challenges both now and in the future.

We know we have a strong squad of players and a dedicated and motivated team behind the scenes which gives us a great chance of achieving our aim. The npower Championship is a very competitive league, and there are several Clubs who are contenders for promotion; we will have a difficult challenge, but we are ready for that.

2011/12 saw us reduce our group financial loss from £26.0m to £22.1m due to significant income from the transfer of player registrations.

The economic climate continued to prove difficult for all areas of the business, reflected in a reduction in turnover of £2.8m. Despite these difficult economic conditions, we have continued to invest across the business.

Football remains our focus and our investment priority. Further investment in the playing squad was made during the year with the purchases of Chris Eagles, Tyrone Mears, David N'gog, Tim Ream and Marvin Sordell. Added to these players, the signings of Dino Fazlic, Darren Pratley, Nigel Reo-Coker, and Gregg Wylde were made without transfer fees being paid. Additionally Dedryk Boyata, Rio Miyaichi and Tuncay were brought in on loan to boost the squad.

As a trading Club, it was also necessary to balance our incoming players with outgoing sales; Ali Al Habsi, Gary Cahill, Matt Taylor and Danny Ward were all sold during the year, and we thank them for their contribution to our club during their time with us.

Our investment in youth continued throughout 2011/12, and the ongoing development of our youth facilities matches well with the Club's footballing philosophy of nurturing young footballing talent. 2011/12 saw the first team debuts of Joe Riley and Josh Vela, two products from our academy and we will see more players coming through to the first team in the near future, as our youth strategy bears fruit.

2011/12 saw the Club's move to Adidas as technical kit sponsor, ending our 22 year partnership with Reebok, the longest running kit partnership in UK football history. I would like to thank Reebok for their support over the time they have been our kit provider and for their continued support as our stadium naming rights sponsor. We are delighted to welcome Adidas whose football performance credentials are second to none.

During the year the business refinanced the debts repayable to Moonshift Investments Limited. This was converted to long-term debts, underlining the commitment and ongoing support of our owner Eddie Davies.

2011/12 saw the launch of our education arm. A successful pilot scheme showed we have the right facilities and partners to deliver a range of courses in the future. Our work in this area is taking us all over the world, building on the success of our soccer schools and opening new opportunities to promote the Bolton Wanderers family globally.

During 2011/12 our Club was placed in the spotlight of the world's media, with the incident involving Fabrice Muamba at White Hart Lane on 17 March 2012. Following Fabrice's cardiac arrest the response from around the world was astonishing. The support of our fans for both Fabrice and the Club during this period, helped enormously. There was an unprecedented response that united football and the community in general.

The event had a profound effect on everyone involved. I would like to place on record my gratitude to all the people involved in saving Fabrice's life for their care and treatment. Our medical staff, Dr Jonathan Tobin and Head Physio, Andrew Mitchell, the Tottenham medical staff and paramedics at White Hart Lane, St John Ambulance, the team at London Chest Hospital, and all the people around the world whose support meant so much during a very difficult time for all involved.

CHAIRMAN'S STATEMENT
CONTINUED

Fabrice's recovery is well underway and it will be a long road. Unfortunately it has meant that he has had to retire from football. But this is opening up different avenues for him and Fabrice knows that he has our full support for whichever path he chooses to take.

Since the year end, Owen Coyle has left the Club. I would like to thank Owen and his staff for their hard work, dedication and passion for the Club. Through challenging times he was a strong leader, possessed of great dignity and integrity.

Finally I would like to personally thank all the members of the management and staff for their continued hard work and dedication during a difficult year, and also a big thank you goes to our supporters who continue to support the team home and away.

OPERATIONS REVIEW

Football business review
Turnover from the football operations in the year reduced by £2.3m, or 4%, to £58.5m (2011: £60.7m).

This is primarily due to reduced central broadcasting revenue but gate receipts also fell as the progress in the FA Cup in 2010/11 was to the Quarter Final whilst progress was to Round 6 in 2011/12.

Attendances at league matches increased by 3% as prices were frozen once again. The introduction of our interest free direct debit scheme proved popular, as supporters took the opportunity to spread the cost of watching football.

Revenue from Corporate Hospitality remained static at £1.8m (2011: £1.8m) as the Club consolidated the 18% increase experienced in the previous year.

Sponsorship and advertising revenue income increased by 11% year-on-year to £4.3m (2011: £3.8m) as new sponsors came on board, and the value of our advertising space increased generally.

During the year Bolton Central celebrated its one year anniversary. Merchandising and licensing income increased by 6% to £1.8m (2011: £1.7m).

The Club's integrated retail and ticket operation is proving an excellent investment and helping the Club to improve our service to customers.

Headline operating costs for the year increased by £1.5m to £75.6m (2011: £74.1m) as certain one-off costs were included in the year. Excluding these costs operating costs reduced by 1% over the previous year.

General administration expenses, including the cost of running and maintaining the stadium, the training facilities and the Academy increased by 2% to £15.7m (2011: £15.3m).

Business centre review
Rental income from the North Stand Business Centre was £0.5m (2011: £0.3m) reflecting Keogh's full occupation of the North Stand Business Centre.

Hotel business review
Revenue for the year was £7.3m (2011: £7.8m) as the economic climate continued to reduce demand for conference and meeting facilities.

The prevailing economic factors put downward pressure on the achievable rates and both average room rate and revenue per available room (RevPar) were lower than the previous year at £45.85 (2011: £52.11) and £36.93 (2011: £38.96) respectively.

Action was taken to remove costs and improve efficiency to keep overall performance in line with the previous year.

Looking ahead
A strategic policy of change was undertaken to ready the football club for the 2012/13 season whether it was in the Barclays Premier League or the npower Championship.

Several players left the squad reducing the wage bill and with the continued support of Eddie Davies we have been able to invest in the team ahead of the 2012/13 season.

Vital investment across the business will continue as funds are available. As I mentioned the economic climate remains challenging, so investment must be justified in both long and short-term timescales.

The facilities remain one of the business' biggest assets and the ability to maximise the returns on these assets is vital for future revenue generation.

Likewise investment in the Academy will continue as the goal of creating talented future stars remains a cornerstone of the businesses strategy.

As I stated earlier, our aim is to get back into the Premier League. Our objective is to build on the progress that we have made across the business.

The process of engaging with supporters and customers will continue and this has proven to bring results as sales of both general admission and hospitality season tickets have gone well as our supporters continue to show their support for the team.

Philip Gartside
Chairman

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Philip A Gartside
Chairman
Aged 60. He is a qualified accountant who has worked in the manufacturing industry throughout his career and is a non-Executive Director of Titan Europe plc. He also holds a number of senior positions in football administration: he is Vice-Chairman of Wembley National Stadium Limited and a Member of the UEFA Youth and Amateur Football Committee. He became a director of Bolton Wanderers in April 1989 and Chairman on 12 October 1999. He joined the Board of Burnden Leisure plc in April 1997 and became Chairman on 23 February 2000.

W Brett Warburton
Independent Non-Executive Director
Aged 56. He is Executive Director of Warburtons Limited, a substantial and long established family owned wholesale bakery business based in Bolton. Having obtained a Harvard MBA (1985), he became a director of Bolton Wanderers in January 1989 and joined the Board of Burnden Leisure plc in April 1997. He is also Chairman of the Lancashire Football Association and was appointed as their representative on the Football Association Council in 2006. Brett is also Chairman of Campden BRI, the Food and Drink Research Association.

Bradley Cooper
Chief Operating Officer
Aged 36. He joined the Board of Burnden Leisure plc and Bolton Wanderers in September 2012, having previously held senior positions in the commercial property and transport industries. He is a Fellow of the Chartered Institute of Management Accountants and also an Associate of the Association of Corporate Treasurers.

Directors
B Cooper (appointed 3 September 2012)
A Duckworth (resigned 30 June 2012)
P A Gartside
P M Mulligan (resigned 16 August 2012)
W B Warburton

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

Registered office
Reebok Stadium
Burnden Way
Lostock
Bolton
BL6 6JW

Bankers
Barclays Bank plc
The Wellsprings Branch
Victoria Square
Bolton
BL1 1BY

Auditor
Deloitte LLP
Chartered Accountants and
Statutory Auditor
Manchester

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

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 2012.

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 1 to 3.

During the year the Group continued to invest in both the playing squad and facilities with £16.3m of additions to the playing squad and £1.2m of additions to fixed assets. The net book value of the playing squad as at 30 June 2012 stood at £19.0m (2011: £18.9m). The retained loss of £22.1m (2011: £26.1m) has arisen as a consequence of further investment in the football team. A profit of £10.3m (2011: £0.5m) was made on the transfer of player registrations with £1.7m included in debtors at the year end (2011: £0.2m).

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, in the core activity of football, 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	£58,450,000	(2011: £60,724,000)
• other	£6,454,000	(2011: £6,990,000)
● Profit levels		
• gross	£10,686,000 loss	(2011: £6,357,000 loss)
• net	£22,115,000 loss	(2011: £26,051,000 loss)
● Staff costs	£55,342,000	(2011: £56,064,000)
• Average attendance levels	23,670	(2011: 22,870)
• Average ticket prices	£10.00	(2011: £10.24)
• Levels of net debt	£136,500,000	(2011: £110,600,000)
Hotel:		
• Occupancy rates	79%	(2011: 75%)
• Average room rates	£45.85	(2011: £52.11)
• Revenue per available room	£36.93	(2011: £38.96)

The Board monitors these on a monthly basis.

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. As disclosed in note 1, the Group's forecasts and projections, after taking account of reasonably possible changes in on-pitch performance, show a funding requirement compared to the current level of facilities. 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.

In the absence of obtaining further borrowings from the Group's lenders, the Group has a range of mitigating actions which are under the board's control. These could be implemented if necessary although the Group does not currently expect this to be the case. On this basis 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 before taxation was £22,115,000 (2011: £26,051,000).

Interest was paid on the 7p (net) cumulative convertible redeemable preference shares on 31 December 2011 and 30 June 2012 amounting to £134,000 (2011: £134,000).

No dividend can be paid.

The retained loss of £22,115,000 (2011: £26,051,000) 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 4.

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.

The balance of directors' loans at 30 June 2012 is £nil (2011: £67,000).

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 2012 were equivalent to 41 (30 June 2011: 36) days' purchases, based on the average daily amount invoiced by suppliers during the year.

Fixed assets
At the balance sheet date, an amount of £19,038,000 (2011: £18,851,000) is carried forward in intangible fixed assets, representing the unamortised cost of players' registrations.

The directors estimate the current value of the playing squad to be approximately £49,750,000 (2011: £61,500,000).

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

Charitable donations
There were £3,600 of charitable donations in the year (2011: £3,500).

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 was assessed this year and again retained the Investor in People status held since 2005.

Special business
Resolution 5
Directors' power to allot securities
Resolution 5 grants the directors of the Company authority to allot shares in the capital of the Company for the purposes set out in the resolution. Unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company.

Resolution 6
Disapplication of pre-emption rights
Resolution 6 empowers the directors of the Company to allot equity shares for cash other than in accordance with the statutory pre-emption rights which require a Company to offer all allotments of equity shares for cash first to existing shareholders in proportion to their holdings, in connection with a rights issue and otherwise as set out in the resolution. Unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of the passing of this resolution.

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

P Gartside
Director
19 October 2012

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 judgements 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 2012 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 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 2012 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 BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
19 October 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

		2012			
	Note	Operations excluding player trading £'000	Player trading £'000	Total £'000	2011 Total £'000
Turnover					
Football	2	**58,450**	**–**	**58,450**	60,724
Other	2	**6,454**	**–**	**6,454**	6,990
		64,904	**–**	**64,904**	67,714
Cost of sales		**(61,291)**	**(14,299)**	**(75,590)**	(74,071)
Gross profit/(loss)		**3,613**	**(14,299)**	**(10,686)**	(6,357)
Administrative expenses		**(15,707)**	**–**	**(15,707)**	(15,347)
Operating loss		**(12,094)**	**(14,299)**	**(26,393)**	(21,704)
Profit on transfer of player registrations	3	**–**	**10,254**	**10,254**	465
Loss on disposal of tangible fixed assets		**(67)**	**–**	**(67)**	(4)
Academy naming rights		**(310)**	**–**	**(310)**	–
Investment income	4	**439**	**–**	**439**	391
Interest payable and similar charges	5	**(6,036)**	**–**	**(6,036)**	(5,197)
Loss on ordinary activities before taxation	6	**(18,068)**	**(4,045)**	**(22,113)**	(26,049)
Tax on ordinary activities	9	**–**	**–**	**–**	–
Loss on ordinary activities after taxation		**(18,068)**	**(4,045)**	**(22,113)**	(26,049)
Minority interests	22	**(2)**	**–**	**(2)**	(2)
Retained loss for the financial year	23	**(18,070)**	**(4,045)**	**(22,115)**	(26,051)

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.

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 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	11	**19,038**	18,851
Tangible assets	12	**48,709**	49,917
Investments	13	**14**	14
		67,761	68,782
Current assets			
Stocks	14	**602**	460
Debtors	15	**6,580**	5,753
Cash at bank and in hand		**503**	1,001
		7,685	7,214
Creditors: amounts falling due within one year	16	**(40,748)**	(143,768)
Net current liabilities		**(33,063)**	(136,554)
Non current assets			
Debtors falling due after more than one year		**1,100**	–
Total assets less current liabilities		**35,798**	(67,772)
Creditors: amounts falling due after more than one year			
Other creditors	17	**(137,329)**	(11,646)
Convertible debt	18	**(2,907)**	(2,907)
Net liabilities		**(104,438)**	(82,325)
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	**(127,063)**	(104,948)
Shareholders' deficit	23	**(107,709)**	(85,594)
Minority interest	22	**3,271**	3,269
Total capital employed		**(104,438)**	(82,325)

The financial statements of Burnden Leisure plc, registered number 335699 were approved by the Board of directors and authorised for issue on 19 October 2012.

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 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investments	13	**9,692**	9,693
Current assets			
Debtors	15	**138,629**	114,403
Cash at bank and in hand		**228**	120
		138,857	114,523
Creditors: amounts falling due within one year	16	**(677)**	(101,774)
Net current assets		**138,180**	12,749
Total assets less current liabilities		**147,872**	22,442
Creditors: amounts falling due after more than one year			
Other creditors	17	**(124,831)**	(28)
Convertible debt	18	**(2,907)**	(2,907)
Net assets		**20,134**	19,507
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	**780**	153
Shareholders' funds		**20,134**	19,507

The financial statements of Burnden Leisure plc, registered number 335699 were approved by the Board of directors and authorised for issue on 19 October 2012.

Signed on behalf of the Board of Directors

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 2012

	Note	2012 £'000	2011 £'000
Net cash outflow from operating activities	24	**(12,970)**	(3,374)
Returns on investments and servicing of finance	25	**(9,194)**	(538)
Capital expenditure and financial investment	25	**(3,668)**	(13,662)
Cash outflow before management of liquid resources and financing		**(25,832)**	(17,574)
Financing	25	**24,475**	18,278
(Reduction)/increase in cash in the year	26,27	**(1,357)**	704

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

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 7, 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 £137 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 £5 million and £7.5 million, are due for renewal in June 2013. The Directors are in regular contact with Barclays and based on the latest discussions, are confident that the facility will be renewed on the current terms.

Based on the current level of facilities, including the assumption that the overdraft and short term working capital facility are renewed at the current levels, the Company's forecasts and projections, taking account of reasonably possible changes in on-pitch performance, show a funding requirement compared to the current level of facilities. 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. In the absence of obtaining further borrowings from the Group's lenders, the Group has a range of mitigating actions which are under the board's control, including but not limited to the sale of assets. These could be implemented if necessary although the Group does not currently expect this to be the case.

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

Having reviewed the assumptions that underpin the financial forecasts for Burnden Leisure (incorporating Bolton Wanderers Football and Athletic Company Limited), the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

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.

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.

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.

1. Accounting policies (continued)

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.

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 Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1. Accounting policies (continued)

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 amount 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.

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	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Turnover						
Hotel	–	–	6,454	6,990	6,454	6,990
Football:						
Gate receipts	5,724	6,269	–	–	5,724	6,269
Broadcasting	42,562	44,693	–	–	42,562	44,693
Corporate hospitality	1,787	1,798	–	–	1,787	1,798
Merchandise/licensing	1,831	1,662	–	–	1,831	1,662
Sponsorship/advertising	4,255	3,838	–	–	4,255	3,838
Other football income	2,291	2,464	–	–	2,291	2,464
	58,450	60,724	6,454	6,990	64,904	67,714
Operating loss	(23,628)	(19,511)	(2,765)	(2,193)	(26,393)	(21,704)
Profit on transfer of player registrations	10,254	465	–	–	10,254	465
Loss after player trading	(13,374)	(19,046)	(2,765)	(2,193)	(16,139)	(21,239)
Loss on disposal of tangible fixed assets					(67)	(4)
Academy naming rights					(310)	–
Investment income					439	391
Interest payable and similar charges					(6,036)	(5,197)
Loss on ordinary activities before taxation					(22,113)	(26,049)
Segment net (liabilities)/assets	(106,309)	(84,436)	138,371	112,711	32,062	28,275
Net borrowings*(not allocated)					(136,500)	(110,600)
Group net liabilities					(104,438)	(82,325)

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

* Net borrowings comprise cash and borrowings.

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

	2012 £'000	2011 £'000
Interest receivable and similar income	439	391

5. Interest payable and similar charges

	2012 £'000	2011 £'000
Loans and overdrafts	**5,712**	4,874
Preference shares	**134**	134
Finance leases and hire purchase contracts	**56**	55
Other loans	**134**	134
	6,036	5,197

6. Loss on ordinary activities before taxation

	Note	2012 £'000	2011 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):			
Depreciation	12		
— owned assets		**2,165**	2,232
— assets held under finance leases		**135**	139
Amortisation of intangible fixed assets	11	**12,800**	13,997
Impairment of intangible fixed assets		**1,649**	—
Restructuring costs		**921**	—
Foreign exchange (gains)/losses		**(150)**	75
Amortisation of grants		**(175)**	(175)
Auditor's remuneration:			
Fees payable to the Company's auditor for the audit of the Company's annual accounts		**10**	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		**43**	39
Total audit fees		**53**	49
— Tax services paid to the Company's auditor		**94**	30
— Consultancy services paid to the Company's auditor		**65**	92
Total non-audit fees		**159**	122

7. Staff costs

	2012 No.	2011 No.
Average number of persons employed (including directors)		
Management and administration	**208**	201
Football players	**60**	60
	268	261

	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	**48,385**	49,727
Social security costs	**6,299**	6,014
Pension costs	**658**	323
	55,342	56,064

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 £345,400 at 30 June 2012 (2011: £108,145) is included in Other Creditors.

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.

8. Directors' remuneration, interests and transactions

Directors' remuneration

	Basic salary £'000	Bonus £'000	Taxable benefits £'000	Pension contributions £'000	Compen-sation for loss of office £'000	**2012 Total £'000**	2011 Total £'000
Executive:							
Highest paid Director	282	99	18	62	397	**858**	560
Other Directors	440	3	35	61	—	**539**	664
Aggregate emoluments	722	102	53	123	397	**1,397**	1,224

	2012 No.	2011 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 2012, 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	**2012 Total Beneficial**	30 June 2011 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.

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:

	2012 %	2011 %
Standard rate of corporation tax in UK of 25.5% (2011: 27.5%)	**26**	28
Effects of:		
Expenses not deductible for tax purposes	**(6)**	(5)
Capital allowances in excess of depreciation	**(2)**	—
Non taxable items	**—**	1
Tax losses available for carry forward	**(18)**	(24)
	—	—

Factors which may affect future tax charges

There are tax trading losses of £111.5m (2011: £81.1m), available to carry forward at 30 June 2012. There are also capital losses carried forward of £10.7m (2011: £10.7m) and surplus ACT carried forward of £262,000 (2011: £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.

With effect from 1 April 2013, the standard rate of corporation tax in the UK will change to 23%. This will affect the calculation of the deferred tax balances in the financial statements, but the impact of the change is not expected to be material to the Company.

10. Profit 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 profit for the financial year transferred to reserves amounted to £1,000 (2011: £1,000).

11. Intangible fixed assets

	Player transfer and agents fees £'000
Cost	
At 1 July 2011	59,169
Acquisitions	16,289
Disposals	(20,994)
At 30 June 2012	**54,464**
Amortisation	
At 1 July 2011	(40,318)
Charge for the year	(12,800)
Impairment	(1,649)
Disposals	19,341
At 30 June 2012	**(35,426)**
Net book value	
At 30 June 2012	**19,038**
At 30 June 2011	18,851

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 2011	45,589	8,905	804	11,926	27	67,251
Additions	41	—	—	1,112	11	1,164
Disposals	(47)	—	—	(1,575)	—	(1,622)
Reclassifications	36	—	—	(36)	—	—
At 30 June 2012	**45,619**	**8,905**	**804**	**11,427**	**38**	**66,793**
Depreciation						
At 1 July 2011	10,483	349	—	6,502	—	17,334
Charge for the year	927	34	—	1,339	—	2,300
Disposals	(9)	—	—	(1,541)	—	(1,550)
At 30 June 2012	**11,401**	**383**	**—**	**6,300**	**—**	**18,084**
Net book value						
At 30 June 2012	**34,218**	**8,522**	**804**	**5,127**	**38**	**48,709**
At 30 June 2011	35,106	8,556	804	5,424	27	49,917
Leased assets included above:						
Net book value						
At 30 June 2012	**—**	**—**	**—**	**277**	**—**	**277**
At 30 June 2011	—	—	—	420	—	420

Freehold land amounting to £804,000 (2011: £804,000) has not been depreciated.

Company

The Company does not own any tangible fixed assets.

13. Investments held as fixed assets

	Medals £'000
Group	
Cost	
At 30 June 2011 and 30 June 2012	14

	Shares in Group undertakings £'000
Company	
Net book value	
At 30 June 2011	9,693
Strike off of dormant companies	(1)
At 30 June 2012	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	
	2012	2011
	£'000	£'000
Finished goods and goods for resale	**602**	460

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

15. Debtors

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Trade debtors	**2,308**	2,606	**1**	13
Amounts owed by Group undertakings	**–**	–	**138,182**	114,013
Other debtors	**979**	266	**–**	–
Prepayments and accrued income	**3,293**	2,881	**446**	377
Debtors due within one year	**6,580**	5,753	**138,629**	114,403

16. Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Obligations under finance leases and hire purchase contracts	**31**	166	**21**	154
Bank loans	**7,000**	5,754	**–**	–
Bank overdraft	**2,174**	1,315	**–**	–
Directors' loans	**–**	67	**–**	–
Other loans	**8**	99,361	**8**	99,361
Trade creditors	**4,541**	4,402	**66**	27
Amounts owed to Group undertakings	**–**	–	**91**	1,814
Other taxation and social security creditors	**3,572**	6,533	**391**	143
Other creditors	**298**	315	**–**	–
Accruals	**19,418**	21,669	**100**	268
Deferred income	**3,706**	4,186	**–**	7
	40,748	143,768	**677**	101,774

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 £189,000 (2011: £175,000).

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Obligations under finance leases and hire purchase contracts	**49**	21	**—**	21
Bank loans	**—**	2,000	**—**	—
Other loans	**124,834**	10	**124,831**	7
Accruals	**6,620**	3,613	**—**	—
Deferred income	**5,826**	6,002	**—**	—
	137,329	11,646	**124,831**	28

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 £5,826,000 (2011: £6,000,000).

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	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Amounts payable:				
— on demand or within one year	**9,182**	106,497	**8**	99,361
— between one and two years	**3**	2,010	**—**	7
— between two and ten years	**124,831**	—	**124,831**	—
	134,016	108,507	**124,839**	99,368

The Group has granted a floating charge to secure bank loans, overdrafts and other loans of £126,834,000 (2011: £102,023,000).

On demand or within one year includes an amount of £nil (2011: £99,267,000) which is repayable on demand and linked to an interest rate of 5.00%.

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	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Amounts payable:				
— on demand or within one year	**31**	166	**21**	154
— between one and two years	**10**	21	**—**	21
— between two and five years	**39**	—	**—**	—
	80	187	**21**	175

18. Convertible debt

	Group and Company	
	2012	2011
	£'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.

19. Provisions for liabilities

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Unprovided deferred tax:				
Accelerated capital allowances	**594**	1,347	**(1)**	(1)
Other timing differences	**(361)**	752	**—**	—
Tax losses	**(24,313)**	(23,008)	**—**	—
	(24,080)	(20,909)	**(1)**	(1)

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

A net deferred tax asset amounting to £24.1m (2011: £20.9m) 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 2012 £'000	2011 £'000
Authorised			
40,667,154,730	(2011: 40,667,154,730) Ordinary Shares of 0.1p each	**40,667**	40,667
138,242,782	(2011: 138,242,782) 'A' Deferred Shares of 5p each	**6,912**	6,912
190,466,230	(2011: 190,466,230) 'B' Deferred Shares of 4.9p each	**9,333**	9,333
166,667	(2011: 166,667) Deferred Shares of 10p each	**17**	17
2,022,866	(2011: 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	(2011: 2,440,466,230) Ordinary Shares of 0.1p each	**2,440**	2,440
138,242,782	(2011: 138,242,782) 'A' Deferred Shares of 5p each	**6,912**	6,912
190,466,230	(2011: 190,466,230) 'B' Deferred Shares of 4.9p each	**9,333**	9,333
166,667	(2011: 166,667) Deferred Shares of 10p each	**17**	17
		18,702	18,702

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

There are 1,907,490 (2011: 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

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Group				
At 1 July 2011	344	308	(104,948)	(104,296)
Loss for the financial year transferred from reserves	—	—	(22,115)	(22,115)
At 30 June 2012	344	308	(127,063)	(126,411)
Company				
At 1 July 2011	344	308	153	805
Profit for the financial year transferred to reserves	—	—	1	1
Dividend transferred to reserves	—	—	626	626
At 30 June 2012	344	308	780	1,432

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

	Company £'000
Distributable	
— profit and loss account	780
Non-distributable	
— share premium account	344
— capital redemption reserve	308
	1,432

22. Minority interests

	Total equity £'000
At 1 July 2011	3,269
Profit on ordinary activities	2
At 30 June 2012	**3,271**

23. Reconciliation of movement in Group shareholders' deficit

	2012 £'000	2011 £'000
Loss for the financial year	**(22,115)**	(26,051)
Increase in shareholders' deficit	**(22,115)**	(26,051)
Opening shareholders' deficit	**(85,594)**	(59,543)
Closing shareholders' deficit	**(107,709)**	(85,594)

24. Reconciliation of operating profit to net cash flow from operating activities

	2012 £'000	2011 £'000
Operating loss	**(26,393)**	(21,704)
Depreciation	**2,300**	2,371
Amortisation of players' registrations	**12,800**	13,997
Impairment of intangible assets	**1,649**	—
(Increase)/decrease in stock	**(142)**	104
Decrease in debtors	**197**	73
(Decrease)/increase in creditors	**(3,381)**	1,785
Net cash outflow from operating activities	**(12,970)**	(3,374)

25. Analysis of cash flows

	2012 £'000	2011 £'000
Returns on investments and servicing of finance		
Interest paid	**(9,139)**	(483)
Interest element of finance lease rentals	**(55)**	(55)
Net cash outflow	**(9,194)**	(538)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(1,031)**	(1,187)
Purchase of players	**(12,906)**	(13,647)
Sale of tangible fixed assets	**5**	2
Sale of players	**10,574**	1,170
Academy naming rights	**(310)**	—
Net cash outflow	**(3,668)**	(13,662)
Financing		
New loans	**25,564**	19,500
Repayment of loans	**(914)**	(1,052)
Capital element of finance lease rental payments	**(175)**	(170)
Net cash inflow	**24,475**	18,278

26. Analysis of net debt

	At 1 July 2011 £'000	Cash flow £'000	Other non-cash changes £'000	**At 30 June 2012 £'000**
Cash at bank and in hand	1,001	(498)	—	**503**
Overdraft	(1,315)	(859)	—	**(2,174)**
	(314)	(1,357)	—	**(1,671)**
Debt due after one year	(4,917)	(25,564)	(97,260)	**(127,741)**
Debt due within one year	(105,182)	914	97,260	**(7,008)**
Finance leases	(187)	175	(68)	**(80)**
Net debt	(110,600)	(25,832)	(68)	**(136,500)**

27. Reconciliation of net cash flow to movement in net debt

	2012 £'000	2011 £'000
(Decrease)/increase in cash in the year	**(1,357)**	704
Cash inflow from increase in debt and lease financing	**(24,475)**	(18,278)
Change in net debt resulting from cash flows	**(25,832)**	(17,574)
Other non-cash changes	**(68)**	—
Net debt at 1 July 2011	**(110,600)**	(93,026)
Net debt at 30 June 2012	**(136,500)**	(110,600)

28. Major non-cash transactions

There were no major non-cash transactions during the year (2011: same).

29. Financial commitments

Capital commitments are as follows:

	Group	
	2012 £'000	2011 £'000
Contracted for but not provided for	**155**	553

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 2012 is £1,778,000 (2011: £3,840,000).

31. Related party transactions

During the year Arley Partnership LLP (a limited liability partnership of which P Gartside is a member) purchased goods and services from Bolton Wanderers Football and Athletic Company Limited in the ordinary course of business, valued at £nil (2011: £19,708).

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 £20,762 (2011: £8,117).

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 £nil (2011: £2,965).

During the year Moonshift Investments Limited (a Company in which E Davies has a beneficial interest) provided Burnden Leisure plc with loan facilities of £127,000,000 (2011: £105,000,000). At the 30 June 2012 £125,000,000 of these facilities were owed to Moonshift Investments Limited.

At the year end Bolton Wanderers Football and Athletic Company Limited owed £2,832,000 (2011: £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 £5,517,000 (2011: £4,712,000) in respect of interest, arrangement and guarantee fees.

During the year Bolton Wanderers Development Association (Chorley) Ltd donated £439,000 (2011: £391,338) 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 £417,000 (2011: £460,302) by Bolton Wanderers Development Association (Chorley) Ltd.

32. Subsequent events

Since the balance sheet date the Club has acquired players' registrations for a cost of £4,772,000 and will receive £7,000 for the transfer of players registration.

At 30 June 2012, Bolton Whites Hotel Limited, a joint venture of the Group, has a current liability to make a final loan repayment of £2 million on 31 August 2012. As part of discussions to vary the terms of the loan between the lender, the Group and De Vere Hotels and Leisure Limited (the 'joint venture partner') the repayment was not made. The joint venture partner is guarantor to the loan. At the time of signing this annual report and financial statements no final agreement has been reached, however all parties remain in positive dialogue.

On 9 October 2012 several members of the football management team, including the 1st team manager, left their positions of Bolton Wanderers and Athletic Company Limited. No additional liabilities arose as a result of these changes.

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.

NOTICE OF MEETING

NOTICE IS GIVEN that the seventy-second Annual General Meeting of Burnden Leisure plc (the "**Company**") will be held in the Chairman's Suite at the Reebok Stadium, Burnden Way, Lostock, Bolton BL6 6JW on Friday 7 December 2012 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS:
To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. **Adoption of audited accounts**
   To consider and adopt the report of the directors and the audited accounts of the Company for the year ended 30 June 2012.

2. **Re-election of retiring director**
   To re-elect Mr Philip Andrew Gartside as director of the Company who retires by rotation in accordance with Article 86.1 of the Company's Articles of Association.

3. **Election of director**
   To elect Mr Bradley Cooper as director of the Company who, having been appointed as a director since the last Annual General Meeting of the Company, offers himself for election at the Annual General Meeting in accordance with Article 82 of the Company's Articles of Association.

4. **Reappointment of auditors**
   To reappoint Deloitte LLP as auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the directors to fix their remuneration.

AS SPECIAL BUSINESS:
To consider and, if thought fit, pass the following resolutions as special resolutions:

5. **Directors power to allot relevant securities**
   That the directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "**relevant securities**"):

   (a) up to a nominal amount of £4,000 by way of conversion of the convertible unsecured loan stock 1999;

   (b) up to a nominal amount of £8,230 by way of conversion of the cumulative convertible redeemable preference shares of 10p each in the capital of the Company; and

   (c) otherwise than pursuant to sub-paragraphs (a) and (b) above, up to a maximum aggregate nominal amount of £610,000.

   Unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the said power had not expired.

6. Disapplication of pre-emption rights

That the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company for cash pursuant to the authority of the directors under section 551 of the Act conferred by resolution 5 as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

(a) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion to their respective holdings of such shares or in accordance with the rights attached to such shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory; and

(b) the allotment, otherwise than pursuant to paragraph (a) above, of equity securities:

(i) up to a nominal amount of £4,000 by way of conversion of the convertible unsecured loan stock 1999;

(ii) up to a nominal amount of £8,230 by way of conversion of the cumulative convertible redeemable preference shares of 10p each in the capital of the Company; and

(iii) otherwise than pursuant to sub-paragraphs (b)(i) and (ii) above, up to a maximum aggregate nominal amount of £610,000.

Unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

By order of the Board

A Massey
Company Secretary

19 October 2012

Registered office:
Reebok Stadium
Burnden Way
Lostock
Bolton BL6 6JW

Notes:

1. A member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and on a poll, vote on his/her behalf. A proxy need not be a member of the Company but must attend the AGM in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy for use in connection with the meeting is enclosed.
2. Completion of a form of proxy will not prevent a member from attending the meeting and voting in person should he/she wish.
3. The register of directors' interests in the shares of the Company and copies of the directors' service contracts (other than those expiring or determinable without payment of compensation within one year) are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday and public holidays excluded) from the date of this notice until the AGM and will be available for inspection at the place of the AGM for at least 15 minutes prior to, and during, the meeting.
4. Please note that communications regarding the matters set out in this notice of Annual General Meeting will not be accepted in electronic form.

SHAREHOLDER NOTES

FORM OF PROXY FOR BURNDEN LEISURE PLC

Form of proxy for use at the Annual General Meeting of Burnden Leisure plc (the "**Company**") to be held at the Reebok Stadium, Burnden Way, Lostock, Bolton BL6 6JW on Friday 7 December 2012 at 10.00 a.m. (the "**Meeting**").

I/We ....

of ....

being a member/members of the Company entitled to receive notice, attend, speak and vote at general meetings of the Company, hereby appoint the Chairman of the Meeting *(Note 1)* .... as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Meeting and at any adjournment thereof in relation to the resolutions specified in the notice of the Meeting dated 19 October 2012 (the "**Resolutions**") and any other business (including adjournments and amendments to the Resolutions) which may properly come before the Meeting or any adjournment thereof.

I/We direct my/our proxy to vote as follows in respect of the Resolutions *(Note 2)*:

Ordinary Resolutions	**For**	**Against**	**Vote Withheld**
1. To adopt the report of the directors and the audited accounts			
2. To re-elect Mr P A Gartside			
3. To elect Mr B Cooper			
4. To reappoint Deloitte LLP as auditors			
Special Resolutions			
5. To authorise the directors to allot relevant securities			
6. To disapply statutory pre-emption rights			

(Note 3)
Number of shares: .... Class of shares: ....

☐ This proxy appointment is one of a multiple proxy appointment *(Note 4)*

Signed .... Dated ....

Notes:

1. A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him. A proxy need not also be a member of the Company but must attend the Meeting in order to represent his appointer. A member wishing to appoint someone other than the Chairman of the Meeting as his or her proxy should insert that person's name in the space provided in substitution for the reference to "the Chairman of the Meeting" (and delete that reference) and initial the alteration. The appointment of a proxy will not preclude a member from attending the Meeting and voting in person but if he or she does so this proxy appointment will terminate automatically.
2. Please indicate by inserting an "X" in the appropriate box how you wish your vote to be cast on the Resolutions. If you fail to select any of the given options, the proxy can vote as he or she chooses or can decide not to vote at all. If you mark the box "Vote Withheld" it will mean that your proxy will abstain from voting. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.
3. If the proxy is being appointed for less than your full entitlement, please indicate above your signature the number and class of shares in relation to which that person is authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full entitlement or, if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A separate form of proxy must be deposited for each proxy appointed — you may photocopy this form for this purpose. If you appoint multiple proxies, please indicate above your signature the number and class of shares in relation to which the person named on this form is authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned to Neville Registrars Limited, the Company's registrars, together in the same envelope. Where multiple proxies are appointed, failure to specify the number of shares to which this proxy appointment relates, or specifying a number which exceeds the number held by the member when totalled with the number specified on other proxy appointments by the same member, will render all appointments invalid.
5. To be valid, this form of proxy, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by 10.00 a.m. on 28 November 2012, or, in the case of an adjourned meeting, 48 hours before the time of the adjourned meeting (excluding any part of a day that is not a working day).
6. An individual member or his attorney must sign this form. If the member is a company, this form of proxy must be executed under the company's common seal or signed on its behalf by an authorised officer or attorney of the company, stating their capacity.
7. In the case of joint holders, the proxy appointment of the most senior holder will be accepted to the exclusion of any appointments by the other joint holders. For this purpose, seniority is determined by the order in which the names are stated in the register of members of the company in respect of the joint holding (the first named being the most senior).

Please return your completed Form of Proxy in an envelope to the Company's Registrars at the address shown overleaf.

Neville Registrars Limited
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