

**BOLTON WHITES HOTEL LIMITED**

**Annual Report and Financial Statements**

**for the year ended 30 June 2015**



**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2015**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

K Anderson (Appointed 10<sup>th</sup> March 2016)  
B Cooper (Resigned 30<sup>th</sup> June 2015)  
P A Gartside (Resigned 10<sup>th</sup> February 2016)  
R Gee (Appointed 1<sup>st</sup> July 2015 and resigned 9<sup>th</sup> May 2016)  
D Holdsworth (Appointed 10<sup>th</sup> March 2016)  
A Massey (Resigned 25<sup>th</sup> April 2016)  
W B Warburton (Resigned 10<sup>th</sup> March 2016)

**SECRETARY**

A Massey (Resigned 28<sup>th</sup> June 2016)

**REGISTERED OFFICE**

Macron Stadium  
Burnden Way  
Lostock  
Bolton  
BL6 6JW

**BANKERS**

NatWest Bank plc  
23 Sankey Street  
Warrington  
WA1 1XH

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 Hardman Street  
Manchester  
M3 3HF  
United Kingdom

**STRATEGIC REPORT**

**PRINCIPAL ACTIVITY AND ENHANCED BUSINESS REVIEW**

The Directors in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

The principal activity of the Company continues to be that of the operation of hotel accommodation, conference and leisure facilities, and matchday hospitality for Bolton Wanderers Football Club.

Bolton Whites Hotel continues to build on its reputation for quality and service and as a major regional venue for conferences and banquets.

Total turnover was £7,257,117 (2014: £7,155,191), increasing by 1.42% year-on-year reflecting the improved hotel market in the North West of England, which affected the demand for hotel rooms for the corporate business traveller.

During the year a further £126,646 of the bank loan has been repaid and cash at bank increased by £216,282 predominantly due to the business performance. There were also fixed asset additions of £95,182 (2014: £230,026) in the year in respect of replacement televisions in the hotel rooms and CCTV cameras.

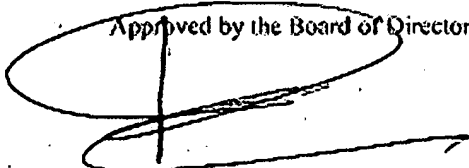
The Board acknowledges there are risks which affect the Hotel and seeks to minimise these risks wherever possible. Risks and uncertainties arise principally out of increasing competition, both locally and regionally, and in particular with regard to Conference and Banqueting facilities. These and other risks are recognised and reviewed regularly through the Company's management and planning processes and managed appropriately including consideration of cashflow credit and liquidity risk.

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

• Revenue	£7,257,117	(2014: £7,155,191)
• Profit as a % of turnover		
• Gross	45.24%	(2014: 47%)
• Net	0.16%	(2014: 39.6%)
• Direct staff costs as % of turnover	16.47%	(2014: 9.7%)
• Occupancy rates	76.8%	(2014: 73.9%)
• Average room rates	£48.40	(2014: £53.06)
• Revenue per available room	£37.21	(2014: £39.21)

The Board monitor these on a monthly basis.

Approved by the Board of Directors and signed on behalf of the Board



K Anderson  
Director  
7 February 2017



Dean Holdsworth  
Director  
7 February 2017

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 30 June 2015.

### **GOING CONCERN**

The Company is a trading company within the Burnden Leisure Limited group ("the Group"), and has been considered as part of the Group going concern review. The wording below is relevant to the Group as a whole as well as the Company in particular.

At the balance sheet date, the Group had net debt totalling £193 million. As disclosed in note 31 to the Group financial statements, following the sale of the club, Fildraw Trust Limited waived £170 million of this balance. Since the balance sheet, the Group has received a further £10 million of debt financing (see below). Of this amount, £5.5 million was repayable on 29 January 2017 and £4 million is currently subject to an ongoing dispute (see below). The Directors are currently in discussion with both finance providers with regards to these facilities. To help the Group to meet its liabilities as they fall due, the Chairman has also provided short term working capital injections totalling £3.5 million. No interest has been charged on these balances and at the time of approval of these financial statements, the balance owed to the Chairman is £nil.

Notwithstanding the above, the Directors have carefully considered if the Group remains a going concern. The Group has continued to incur losses in the period since the balance sheet date and anticipate that further losses will continue for at least 12 months from the date of signing this report. Trading losses (excluding player trading) for the season 16-17 are estimated to be £11m and the Directors assess that this may well be the level of annual losses that the Group may face in the coming 12 months. This estimate is subject to the inherent uncertainty of knowing which league Bolton Wanderers Football & Athletic Company Limited will play in from July 2017 combined with any associated player trading that could add to or mitigate these losses.

Note 31 to the Group financial statements details several asset sales and funding initiatives that have been undertaken since the balance sheet date to address the Group's need for resources. In particular the ultimate controlling shareholding of the Group was purchased on 10 March 2016 and this was followed by an injection of debt funding. Subsequent to the change in ultimate beneficial ownership, the Directors have considered a number of funding options in order to address the anticipated future losses plus the need to finance existing facilities as they fall due for repayment. At the date of this Directors' report, these amounts are all still outstanding and are as follows:

- short term working capital injections provided by the Chairman (balance at the time of the approval of the financial statements £nil (as discussed above);
- £5.5m owed to Prescot Business Parks fell due for repayment on 29 January 2017 but is still outstanding (as discussed above);
- £0.5m owed to WB Warburton falls due for repayment on 1 March 2018;
- £1.55m owed to Fildraw Private Trust falls due for repayment on 1 March 2018; and
- £4m plus accrued interest owed to Sports Shield BWFC Limited (onward lent from BluMarble Capital Limited), which falls due for repayment on 10 March 2018. See note 31 to the Group financial statements concerning £5m of security granted by the Group to secure this loan facility.

The ability of the Directors to fund the ongoing losses and refinance the above facilities is critical to the going concern assessment of the Group. The Directors are in discussion with Prescot Business Parks with regards to repayment of this facility.

A key factor in the Group's going concern assessment is the status of the facility with Sports Shield BWFC Limited. Sports Shield BWFC Limited, a Company controlled by one of the Directors, received funding to acquire the ultimate controlling shareholding from Fildraw Private Trust Limited from a third party finance provider BluMarble Capital Limited ("the Acquisition Finance Provider"). A back to back agreement was made between the Group and Sports Shield BWFC Limited. The funding received into the Group from Sports Shield BWFC Limited totalled £4m (after the deduction of £1m of expenses). There is a guarantee in place for £5 million and Sports Shield BWFC Limited used the assets of the Group as security for the Acquisition Finance Provider. Based on their respective legal advice, the two Directors/shareholders are in dispute over the validity of this guarantee. The facility agreement between the Group and Sports Shield BWFC Limited confirms that this facility is not due for repayment until March 2018, however, the Directors understand that the balance due to the Acquisition Finance Provider by Sports Shield BWFC Limited was due to be repaid by 26 March 2016. This has not been repaid and remains overdue and accordingly there is a risk that BluMarble could exercise their option over the security of the Group's assets. The Directors dispute the legitimacy of this option and are in dialogue with the Acquisition Finance Provider. The intentions of the Acquisition Finance Provider with regards to their position around the security on the Group's assets have not been confirmed by the Acquisition Finance Provider.

**DIRECTORS' REPORT (continued)**

intentions of the Acquisition Finance Provider with regards to their position around the security on the Group's assets have not been confirmed by the Acquisition Finance Provider.

As a consequence of the above, the Group does not currently have access to adequate facilities to meet its day to day working capital requirements or to re-finance the facilities listed above as they fall due for repayment. Discussions between the shareholders and with potential providers of future funding remain ongoing and until those various discussions are satisfactorily concluded, definitive plans for funding the ongoing losses plus the repayment of the above facilities will not be available.

Notwithstanding this, based on the status of current ongoing discussions, the Directors are hopeful that future funding (a combination of debt and/or equity) can be found. After making all necessary enquiries and properly considering the matters which are described in this Report and Financial Statements, the Directors have concluded that, despite the fundamental uncertainty facing the business as described above, they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

**RESULTS AND DIVIDENDS**

The Company's profit for the year before taxation was £11,757 (2014: £2,836,694 profit). No dividend has been paid or proposed (2014: £nil).

**DIRECTORS AND THEIR INTERESTS**

K Anderson, and D Holdsworth are Directors of the ultimate parent company, Burnden Leisure Limited, and their interests are disclosed in the financial statements of that company.

The Directors who served during the year and to the date of this report are set out on page 1.

**AUDITOR**

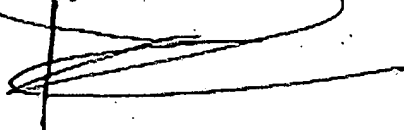
Each of the Directors at the date of approval of this report confirms that:

- 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.

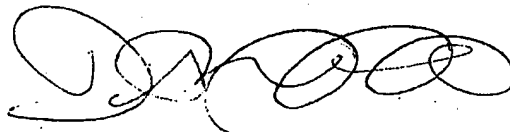
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company is currently seeking new auditors. A resolution to appoint a new auditor will be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



K Anderson  
Director  
7 February 2017



Dean Holdsworth  
Director  
7 February 2017

**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 Company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 BOLTON WHITES HOTEL LIMITED**

We were engaged to audit the financial statements of Bolton Whites Hotel Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses the Balance Sheet and the related notes 1 to 18. 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. As a result of the matter described in the basis for disclaimer of opinion on financial statements section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Scope of the audit of the financial statements**

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

### **Basis for disclaimer of opinion on financial statements**

The audit evidence available to us to confirm the appropriateness of preparing the financial statements on a going concern basis was limited because the Burnden Leisure Limited group of companies, of which this company is a subsidiary has not been able to substantiate in the projections any audit evidence regarding the ability of management to fund a projected shortfall of £11 million relating to losses and working capital and £11.05 million relating to a refinancing of the company's financing facilities. This has been discussed further within the Strategic Reports and Directors' Reports of both this company and Burnden Leisure Limited.

As a result of the above, and in the absence of any alternative evidence available to us, we have been unable to form a view as to the applicability of the going concern basis, the circumstances of which are set out in note 1 to the financial statements. As a result, we have issued a disclaimer of opinion on the financial statements.

Furthermore, the audit evidence available to us was limited in relation to the appropriateness and completeness of the disclosure of subsequent events around the takeover of the Burnden Leisure Limited Group in note 16. The limitation has arisen due to certain matters that are in dispute as discussed in note 16 and therefore it is not possible to confirm the facts of all post balance sheet events.

### **Disclaimer of opinion on financial statements**

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON WHITES HOTEL LIMITED**

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

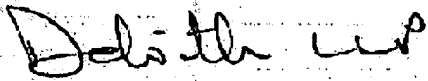
Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

The company has passed a resolution in accordance with Section 506 of the Companies Act 2006 that the Senior Statutory Auditor's name should not be stated.



Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
7 February 2017

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 June 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	2	7,257,117	7,155,191
Cost of sales		<u>(3,974,202)</u>	<u>(3,783,606)</u>
<b>GROSS PROFIT</b>		3,282,915	3,371,585
Administrative expenses		(3,214,360)	(3,424,682)
Non-recurring costs in respect of change in ownership		-	(199,778)
Waiver of related party loans		-	<u>3,148,639</u>
<b>OPERATING PROFIT</b>		68,555	2,895,764
Interest payable and similar charges	3	<u>(56,798)</u>	<u>(59,070)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	11,757	2,836,694
Tax on profit on ordinary activities	5	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	<u>11,757</u>	<u>2,836,694</u>

All results relate to continuing operations.

There are no recognised gains or losses other than those reported above for the current and previous years, accordingly, no separate statement of total recognised gains and losses has been prepared.

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

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT)  
For the year ended 30 June 2015**

	2015	2014
	£	£
Issue of share capital	-	4,305,501
Profit for the financial year	11,757	2,836,694
	<u>11,757</u>	<u>7,142,195</u>
Net increase in shareholder's funds	11,757	7,142,195
Opening shareholder's funds/(deficit)	6,167,091	(975,104)
	<u>6,178,848</u>	<u>6,167,091</u>
Closing shareholder's funds	<u>6,178,848</u>	<u>6,167,091</u>

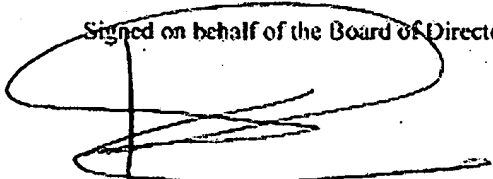
**BOLTON WHITES HOTEL LIMITED**

**BALANCE SHEET**  
As at 30 June 2015

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>10,540,360</u>	<u>10,628,553</u>
<b>CURRENT ASSETS</b>			
Stocks	8	271,889	272,236
Debtors	9	832,171	589,418
Cash at bank and in hand		<u>452,526</u>	<u>236,244</u>
		1,556,586	1,097,898
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(4,807,029)</u>	<u>(4,323,716)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,250,443)</u>	<u>(3,225,818)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,289,917	7,402,735
<b>CREDITORS: amounts falling due after more than one year</b>	11	<u>(1,111,069)</u>	<u>(1,235,644)</u>
<b>NET ASSETS</b>		<u>6,178,848</u>	<u>6,167,091</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	13	5,805,500	5,805,500
Profit and loss account	14	<u>373,348</u>	<u>361,591</u>
<b>SHAREHOLDER'S FUNDS</b>		<u>6,178,848</u>	<u>6,167,091</u>

The financial statements of Bolton Whites Hotel Limited, registered number 03674979 were approved by the Board of Directors and authorised for issue on 7 February 2017.

Signed on behalf of the Board of Directors



K Anderson  
Director



D Holdsworth  
Director

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

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2015****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Basis of accounting**

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

**Going concern**

The Company is a trading company within the Burden Leisure Limited group ("the Group"), and has been considered as part of the Group going concern review. The wording below is relevant to the Group as a whole as well as the Company in particular.

At the balance sheet date, the Group had net debt totalling £193 million. As disclosed in note 31 to the Group financial statements, following the sale of the club, Fildraw Trust Limited waived £170 million of this balance. Since the balance sheet, the Group has received a further £10 million of debt financing (see below). Of this amount, £5.5 million was repayable on 29 January 2017 but is still outstanding and £4 million is currently subject to an ongoing dispute (see below). The Directors are currently in discussion with both finance providers with regards to these facilities. To help the Group to meet its liabilities as they fall due, the Chairman has also provided short term working capital injections totalling £3.5 million to ensure that the Group meets its liabilities as they fall due. No interest has been charged on these balances and at the time of approval of these financial statements, the balance owed to the Chairman is £nil.

Notwithstanding the above, the Directors have carefully considered if the Group remains a going concern. The Group has continued to incur losses in the period since the balance sheet date and anticipate that further losses will continue for at least 12 months from the date of signing this report. Trading losses (excluding player trading) for the season 16-17 are estimated to be £11m and the Directors assess that this may well be the level of annual losses that the Group may face in the coming 12 months. This estimate is subject to the inherent uncertainty of knowing which league Bolton Wanderers Football & Athletic Company Limited will play in from July 2017 combined with any associated player trading that could add to or mitigate these losses.

Note 31 to the Group financial statements details several asset sales and funding initiatives that have been undertaken since the balance sheet date to address the Group's need for resources. In particular the ultimate controlling shareholding of the Group was purchased on 10 March 2016 and this was followed by an injection of debt funding. Subsequent to the change in ultimate beneficial ownership, the Directors have considered a number of funding options in order to address the anticipated future losses plus the need to finance existing facilities as they fall due for repayment. At the date of this Directors' report, these amounts are all still outstanding and are as follows:

- short term working capital injections provided by the Chairman (balance at the time of the approval of the financial statements £nil (as discussed above));
- £5.5m owed to Prescot Business Parks fell due for repayment on 29 January 2017 but is still outstanding (as discussed above);
- £0.5m owed to WB Warburton falls due for repayment on 1 March 2018;
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- £4m plus accrued interest owed to Sports Shield BWFC Limited (onward lent from BluMarble Capital Limited), which falls due for repayment on 10 March 2018. See note 31 to the Group financial statements concerning £5m of security granted by the Group to secure this loan facility.

The ability of the Directors to fund the ongoing losses and refinance the above facilities is critical to the going concern assessment of the Group. The Directors are in discussion with Prescot Business Parks with regards to repayment of this facility.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**1. ACCOUNTING POLICIES (continued)**

**Going concern (continued)**

A key factor in the Group's going concern assessment is the status of the facility with Sports Shield BWFC Limited. Sports Shield BWFC Limited, a Company controlled by one of the Directors, received funding to acquire the ultimate controlling shareholding from Fildraw Private Trust Limited from a third party finance provider BluMarble Capital Limited ('the Acquisition Finance Provider'). A back to back agreement was made between the Group and Sports Shield BWFC Limited. The funding received into the Group from Sports Shield BWFC Limited totalled £4m (after the deduction of £1m of expenses). There is a guarantee in place for £5 million and Sports Shield BWFC Limited used the assets of the Group as security for the Acquisition Finance Provider. Based on their respective legal advice, the two Directors/shareholders are in dispute over the validity of this guarantee. The facility agreement between the Group and Sports Shield BWFC Limited confirms that this facility is not due for repayment until March 2018, however, the Directors understand that the balance due to the Acquisition Finance Provider by Sports Shield BWFC Limited was due to be repaid by 26 March 2016. This has not been repaid and remains overdue and accordingly there is a risk that BluMarble could exercise their option over the security of the Group's assets. The Directors dispute the legitimacy of this option and are in dialogue with the Acquisition Finance Provider. The intentions of the Acquisition Finance Provider with regards to their position around the security on the Group's assets have not been confirmed by the Acquisition Finance Provider.

As a consequence of the above, the Group does not currently have access to adequate facilities to meet its day to day working capital requirements or to re-finance the facilities listed above as they fall due for repayment. Discussions between the shareholders and with potential providers of future funding remain ongoing and until those various discussions are satisfactorily concluded, definitive plans for funding the ongoing losses plus the repayment of the above facilities will not be available.

Notwithstanding this, based on the status of current ongoing discussions, the Directors are hopeful that future funding (a combination of debt and/or equity) can be found. After making all necessary enquiries and properly considering the matters which are described in this Report and Financial Statements, the Directors have concluded that, despite the fundamental uncertainty facing the business as described above, they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

**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 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:

Hotel	50 years
Fixtures, fittings, kitchen and computer equipment	3 to 10 years

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 30 June 2015**

**1. ACCOUNTING POLICIES (continued)**

**Cash flow statement**

No cash flow statement has been prepared as the financial statements for Burnden Leisure Limited, the ultimate parent Company, which are publicly available include a consolidated cash flow statement in accordance with FRS 1 (Revised 1996).

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes transport and handling costs.

Renewals and replacements of certain operating supplies are written off to the profit and loss account as incurred.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

**Finance costs**

The finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

**Debt**

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

**Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**1. ACCOUNTING POLICIES (continued)**

**Taxation (continued)**

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.

**2. TURNOVER**

Turnover is stated net of VAT and trade discounts. Turnover arose entirely from the Company's principal activities in the United Kingdom. Turnover is recognised for accommodation when the services are provided. Match day and event turnover is recognised when the events take place.

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank loans and overdrafts	56,798	59,070

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2015 £	2014 £
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Depreciation		
Owned assets	183,375	140,002
Fees payable to the Company's auditor for the audit of the Company's annual and interim accounts	10,000	10,000

There are no non audit fees payable to the Company's auditor.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

No current tax charge has arisen during the year due to the impact of the previous year and current period tax losses. At 30 June 2015, the Company had tax losses to carry forward of £1,617,687 (2014: £1,659,685).

The difference between the total current tax charge of nil and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £	2014 £
<b>Profit on ordinary activities before tax</b>	<u>11,757</u>	<u>2,836,694</u>
UK corporation tax at 20.25% (2014: 22.5%)	2,440	638,926
Effects of:		
Expenses not deductible for tax purposes	7,352	6,535
Capital allowances in excess of depreciation	32,583	(33,105)
Timing Differences	(377)	-
Utilisation of tax losses brought forward	<u>(41,998)</u>	<u>(612,356)</u>
	<u>-</u>	<u>-</u>

**6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Staff are employed by Bolton Whites Hotel Limited. The average number of employees during the year was 60 (2014: 72) excluding Directors.

The costs recharged to the company comprise:

	2015 £	2014 £
Wages and salaries	1,139,780	1,198,183
Social security costs	44,778	49,591
Other pension costs	<u>10,395</u>	<u>8,719</u>
	<u>1,194,953</u>	<u>1,256,493</u>

The Directors received no remuneration for their services during the year (2014: £nil).

The pension costs are a part of the Group Personal Pension scheme which is a defined contribution scheme.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**7. TANGIBLE FIXED ASSETS**

	Hotel £	Fixtures, fittings and kitchen equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2014	8,905,864	2,657,079	207,170	11,770,113
Additions	-	62,921	32,261	95,182
At 30 June 2015	<u>8,905,864</u>	<u>2,720,000</u>	<u>239,431</u>	<u>11,865,295</u>
<b>Accumulated depreciation</b>				
At 1 July 2014	(448,931)	(652,179)	(40,450)	(1,141,560)
Charge for the year	(33,654)	(109,223)	(40,498)	(183,375)
At 30 June 2015	<u>(482,585)</u>	<u>(761,402)</u>	<u>(80,948)</u>	<u>(1,324,935)</u>
<b>Net book value</b>				
At 30 June 2014	<u>8,456,933</u>	<u>2,004,900</u>	<u>166,720</u>	<u>10,628,553</u>
At 30 June 2015	<u>8,423,279</u>	<u>1,958,598</u>	<u>158,483</u>	<u>10,540,360</u>

Cumulative interest capitalised in the cost of tangible fixed assets amounts to £487,754 (2014: £487,754).

The hotel falls under long leasehold land and building.

**8. STOCKS**

	2015 £	2014 £
Consumables	<u>271,889</u>	<u>272,236</u>

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

**9. DEBTORS**

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	394,231	534,868
Other debtors	140,106	20,565
Prepayments and accrued income	297,834	33,985
	<u>832,171</u>	<u>589,418</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Bank loans and overdrafts	140,000	126,572
Trade creditors	783,607	318,837
Amounts owed to group undertakings	3,416,202	3,259,817
VAT	102,362	97,095
Other creditors	38,460	16,944
Accruals and deferred income	326,398	504,451
	<u>4,807,029</u>	<u>4,323,716</u>

Bank loans are repayable on demand or within one year.

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015 £	2014 £
Bank loans and overdrafts	1,095,570	1,235,644
Other creditors	15,499	-
	<u>1,111,069</u>	<u>1,235,644</u>

The Company has granted a fixed and floating charge on its assets to secure bank loans and other loans of £1,235,570 (2014: £1,362,216).

The Company subsequently repaid the bank loan following the year end (see note 16).

**12. DEFERRED TAXATION**

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

	2015 £	2014 £
Fixed asset timing differences	215,073	324,923
Tax losses available	(228,096)	(331,937)
	<u>(13,023)</u>	<u>(7,014)</u>

No asset has been recognised as at present it is not envisaged that any tax will become payable in the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**13. CALLED-UP SHARE CAPITAL**

	2015 £	2014 £
Called-up, allotted and fully-paid 5,805,500 (2014: 5,805,500) ordinary shares of £1 each	5,805,500	5,805,500

**14. RESERVES**

	Profit and Loss Account £
At 1 July 2014	361,591
Profit for the financial year transferred to reserves	11,757
At 30 June 2015	373,348

**15. FINANCIAL COMMITMENTS**

a) *Capital commitments*

There were no capital commitments at 30 June 2015 (2014: £nil).

b) *Pension commitments*

The pension cost charge for the year was £10,395 (2014: £8,719). At 30 June 2015 there was an accrual of £1,234 in respect of contributions not paid over to the schemes' managers (2014: £3,045).

**16. SUBSEQUENT EVENTS**

The below are the subsequent events which have occurred in relation to the Burnden Leisure Group as a whole, of which Bolton Whites Hotel Limited is a member.

**Player Registrations**

Since the balance sheet date the Club has acquired players' registrations for a cost of £936,000 and will receive £5,350,000 for the transfer of players' registration. These transactions are not expected to be impacted by the transfer embargo that the football club has been placed under.

**Change of ownership**

In March 2016 Fildraw Private Trust sold its majority shareholding in the Company for £1 plus additional consideration totalling up to £15m conditional on future sporting success to Inner Circle Investments Limited and Sports Shield BWFC Limited. At that time, both Inner Circle Investments Limited and Sports Shield BWFC Limited owned 47.5% of the share capital of the Company.

As a part of this transaction, the loans with Fildraw Private Trust were written off (with the exception of the £15m noted above as at the time of the transaction it was considered that those conditions would be met). In May 2016 the Group paid Sports Shield BWFC Limited £250,000 in relation to charges incurred by that company in effecting the change of ownership and as part of other arrangements agreed to the revised shareholdings stated in note 32 in the Group financial statements.

As a result of the distressed nature takeover of the Group during the year ended 30 June 2016 and the lower than anticipated consideration that arose from that transaction, there may be an impairment of assets recorded in those financial statements. The Directors do not consider that this impairment reflects the facts and circumstances present at 30 June 2015 and accordingly no impairment charge has been recorded in the financial statements for the period ended 30 June 2015.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**16. SUBSEQUENT EVENTS (continued)**

**Borrowing**

At 30 June 2015 Bolton Wanderers Football & Athletic Club Limited owed the Fildraw Private Trust £185,505,000 as disclosed as other loans in notes 16 and 17 in the Group financial statements. In March 2016 Fildraw Private Trust and this Company entered into an amendment, waiver and restatement which agreed that £170,306,000 of this loan could be waived. The Company has written this amount off the loan during 2016.

In July 2015 the Group borrowed £3.53m from Nucleus Commercial Finance Limited secured against certain assets and receivables of the Group. This loan was repaid in January 2016.

In January 2016 the Group borrowed £5.5m from Prescot Business Parks Limited which was secured against certain assets of the Group. This loan incurs interest at 7% and was used to repay an outstanding loan from Royal Bank of Scotland. This loan was repayable on 29 January 2017. This loan has not yet been repaid and the Directors are in discussions to extend this facility.

In March 2016 the Group borrowed £4m from Sports Shield BWFC Ltd. There is a guarantee in place for £5m as BluMarble Capital Limited ("the Acquisition Finance Provider") required that the assets of the Group were used as security as a condition for making the loan to Sports Shield BWFC Limited. Based on their respective legal advice, the two Directors/shareholders are in dispute over the validity of this guarantee. Furthermore, there is a dispute as to the interpretation of the clause in the shareholders' agreement which references fees, costs, and expenses incurred in relation to the BluMarble facility and the onward loan to the Club by Sports Shield BWFC Limited being borne by the Company.

The Acquisition Finance Provider then secured its loan against certain assets of the Group, to a value of £5m. This loan incurs interest at 24% pa compound. The facility repayment date between the Group and Sports Shield BWFC is March 2018. The Directors understand that the date by which Sports Shield BWFC must repay this balance has passed and the Acquisition Finance Provider may have an option to exercise its security. The Directors dispute this and are in dialogue with the Acquisition Finance Provider around its intentions.

**Employment contract dispute**

There is a dispute surrounding the termination of the employment contract of Dean Holdsworth, a Director and Shareholder.

**Asset sale**

In February 2016 the Group sold its training ground at Euxton to Huron Properties Limited for £2.25m.

**Sale and leaseback**

In December 2015 Bolton Wanderers Football and Athletic Limited sold and leased back a section of the stadium estate to Prescot Business Parks for £3.5m.

See Note 1 for details of post year end funding provided by K Anderson, a Director and Shareholder.

All of the above are considered to be non-adjusting post balance sheet events and none of the above transactions resulted in significant losses to the Company or Group.

**17. RELATED PARTY TRANSACTIONS**

During the year P Gartside purchased goods and services from Bolton Whites Hotel Limited in the ordinary course of business, valued at £1,714 (2014: £1,842).

At the year end the amount owed to Bolton Whites Hotel Limited by P Gartside in respect of corporate hospitality amounted to £877 (2014: £3,257).

The Company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other group companies.

The dates on which directors served during the year are shown on page 1.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 June 2015**

**18. ULTIMATE PARENT COMPANY**

The directors regard Burnden Leisure Limited, a company incorporated in England, as the ultimate parent company and the ultimate controlling party.

Burnden Leisure Limited is the parent company of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Companies House.

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