THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

(Registered no. 53482)

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THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

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COMPANY INFORMATION

YEAR ENDED 30 JUNE 2020

DIRECTORS:	S Waggott (Chief Executive Officer) M Cheston (Finance Director) R Gandhi Babu R D Coar
SECRETARY:	I D Silvester
PRESIDENT:	K C Lee
VICE PRESIDENTS:	G R Root I R Stanners
HON VICE PRESIDENTS:	Rt Hon J Straw
REGISTERED OFFICE:	Ewood Park Blackburn BB2 4JF
COMPANY NUMBER:	53482
BANKERS:	State Bank of India Limited 15 King Street London EC2V 8EA
AUDITORS:	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn BB1 5QB

First team

A season like no other, with unprecedented challenges both on and off the pitch.

Rovers finished their second season back in the Championship in 11th place, almost exactly 12 months after the 2019/20 campaign had kicked off!

Looking to build and improve on the 15th place finish a year earlier, Rovers boss Tony Mowbray – now the longest serving manager in the division – strengthened his squad with a number of new arrivals.

Experienced midfield duo Stewart Downing and Bradley Johnson were first through the door during the summer transfer window, on free transfers from Middlesbrough and Derby County respectively, followed by striker Sam Gallagher, who returned to Rovers for a second spell, making a big money move from Southampton.

The manager also used the loan market wisely, bringing in goalkeeper Christian Walton from Brighton & Hove Albion, defender Tosin Adarabioyo from Manchester City and left-back Greg Cunningham from Cardiff City, before former Germany international Lewis Holtby completed Rovers' transfer activity during the early stages of the season.

After a disappointing start, which saw Rovers lose their opening two league games and bow out of the Carabao Cup at the second round stage, dramatic late victories over Sheffield Wednesday and Barnsley in successive November home games proved the catalyst for Mowbray's men to really get into their stride.

A four-game winning streak, a run of five victories and a draw from the six Championship fixtures in the build up to the pre-Christmas encounter against Wigan Athletic propelled Rovers up the table ... before disaster struck.

In front of the live TV cameras, a season-ending injury to talisman Bradley Dack put a major dent in Rovers' promotion hopes. Dack became the second key Rovers player to sustain an ACL injury that season, after Greg Cunningham had suffered the same fate in early October, whilst Corry Evans and Lewis Holtby would also pick up serious injuries over the coming weeks.

Despite the setbacks, Rovers remained competitive, recording back-to-back wins in both January and February, including a superb 5-0 success over Sheffield Wednesday, before the season was suspended in mid-March following the Coronavirus outbreak.

After a 100-day break, Rovers returned to action behind closed doors in late June with a 3-1 victory over Bristol City, which saw them move to within a point of the play-off places, with just eight games to go. However, three straight defeats thereafter put paid to Rovers' ambitions of securing a top six spot.

Adam Armstrong, who netted 17 goals in all competitions, was rightly rewarded with both the Player of the Year trophy, as voted for by the fans, as well as the Goal of the Season award for his stunning 40-yard strike against Cardiff City, whilst fellow frontman Danny Graham said farewell to the club on the back of his 600th career appearance on the final day at Luton Town.

Under-23s

Another impressive season of top-flight football for Rovers Under-23s, as new boss Billy Barr guided the team to a seventh-place finish in Premier League 2 Division 1.

Final league standings were decided by the points-per-game model after the season was officially curtailed in May, with Rovers having amassed 21 points from their 17 league games.

The Under-23s, who finished fifth in 2018-19, had also reached the knockout stage of the Premier League Cup and the final of the Lancashire FA Senior Cup for the second year running before the season was cut short due to the outbreak of COVID-19.

Promising youngsters Jack Vale and Hayden Carter both made their first team debuts during the final weeks of the 2019/20 Championship season.

Under-18s

A terrific run to the semi-final stage of the FA Youth Cup was the highlight of the 2019/20 season for Rovers' rising stars from the Academy.

Playing all four rounds at Ewood Park, Mike Sheron's free-scoring side defeated Newport County 3-1, Charlton Athletic 1-0, Preston North End 4-2 and then Arsenal 4-1, with Sam Burns scoring in every round, as Rovers booked their place in the last four for the first time in four years and a semi-final tie against Manchester City.

By contrast, Rovers failed to hit the same heights in the Under-18 Premier League, finishing 11th in the 12-team table, having picked up 14 points from their 15 games played before the season was suspended.

A number of second year scholars who excelled in the FA Youth Cup run were rewarded with their first pro contracts, whilst a host of other Academy prospects received international recognition.

Ladies

Having achieved an historic promotion in 2018/19, Rovers Ladies ended their maiden season of FA Women's Championship football in seventh place, following the decision to cut the campaign short due to the COVID-19 pandemic.

The final standings for the 11-team division were decided on a points-per-game basis after Gemma Donnelly's side only completed 12 of their scheduled league fixtures, collecting 10 points.

Skipper Saffron Jordan, who scored six goals and claimed six assists, was crowned Player of the Year, Alex Taylor's superb strike against Aston Villa was named Goal of the Season, whilst Rovers' longest-serving player, Natasha Fenton, topped the Players' Player of the Year poll for her impressive box-to-box displays.

Whilst there were many developments happening internally within the club and football in general during the 2019/20 season, the one thing that dominated and affected all our personal and working lives was the emergence and dramatic increase of the Covid-19 pandemic.

In footballing terms, it led to the truncated 2019/20 season that will go down in the history of the English Football League (EFL) as an unprecedented campaign lasting twelve months and two days due to the global and national impact of Covid-19.

From its commencement on the 2 August 2019 to completion of the play-off final on the 4 August 2020, fixtures spanned a one-year period, during which the season was halted following a decision on the 13 March 2020 to suspend the League after a number of players and other club staff became ill due to Covid-19.

Rovers actually featured in the last Championship game against Derby County on the 8 March before Covid-19 halted football, with 108 fixtures still to be played.

The initial suspension was due to be three weeks, but was then extended until the 30 April prior to clubs deciding to continue the season with players returning to training on the 25 May.

During the first phase of the return to training, clubs were instructed to follow strict Government guidelines and medical protocol, whilst also carrying out Covid-19 tests twice weekly in order for football to then return to behind closed doors and without supporters in the stadium.

The EFL announced the restart of the League would be on the 20 June for the remaining nine rounds of matches to be completed over an intense six-week period.

When the season eventually ended, we finished in eleventh position with a total of sixty three points – seven points away from the final play-off sixth spot.

Long term injuries to key first team players severely dented our promotion push, with Cardiff City loanee Greg Cunningham, Bradley Dack, Corry Evans and Lewis Holtby all being side-lined at crucial times of the season.

So, whilst we were all disappointed in falling short of our ambition of getting into the play-offs, we also felt progress was continuing to be made on the pitch under the leadership of Tony Mowbray and his backroom staff.

The investment in the recruitment and scouting department was starting to take shape and the appointment of a Head of European Scouting was a further statement of intent to search for and secure talent outside the UK.

The restructuring of the analysis department and further improvements in the medical and sports performance teams were also seen as key elements as we continue to move the club forwards.

Internal improvements at the Senior Training Centre and our Category One Academy continued, as well as adding the required bio-security equipment and procedures to mitigate the risk of the spread of the virus.

The Academy programme continues to develop players that fit in with Tony Mowbray's philosophy and the emergence and progress of the likes of John Buckley, Joe Rankin-Costello, Hayden Carter and Jack Vale during the 2019/20 season were encouraging signs of the pipeline of young talent coming out of the Academy.

Special mention must go to the Under-18s squad who reached the semi-final of the FA Youth Cup; the Under-23s who had a seventh-place finish in Premier League 2 Division 1 and to the Ladies team who finished seventh in the FA Women's Championship.

As referred to in the Strategic Report, the operating loss for the year increased by £3.7 million compared to the previous season. This was mainly due to the increased investment in the first team squad and management at the start of the financial year and the reduction in expected revenue over the last four months due to the impact of Covid-19. There was a reduction in other operating expenditure costs of £1.8 million aligned to the reduced income streams.

At Ewood Park the emphasis and focus continued to be on trying to drive up commercial revenue streams whilst increasing fan engagement and attracting new supporters. The Covid-19 pandemic severely reduced match day and non-match day income over the last three months of the season, but the club continued to push ahead with its Next Generation supporter's initiative that saw the introduction and appointment of a new Integration Manager. This new appointee will work closely with our award-winning Community Trust to widen our reach into relatively untapped community groups and business networks in the area and region.

Special praise must be given to our Community Trust who, under the leadership of CEO Gary Robinson, were at the forefront of a range of outstanding community projects. These projects were aimed at supporting the most vulnerable members of our community during the Covid-19 lockdown and restrictions. From phone calls to food deliveries, they give local people hope through these difficult times and we should commend them for their inspiring efforts and achievements.

The owners and the board would like to place on record our thanks and appreciation to all those who have supported the club, be they shareholders, corporate clients and partners. We would also like to thank those fans who purchased a 2020/21 Season Pass in the full knowledge that the games they may be able to watch live at Ewood could be very limited. Our appreciation also goes to their continuing support, as this has been a great help in contributing towards the club's stability during these turbulent times.

A particular mention should go to our staff (furloughed and non-furloughed), for their hard work, loyalty and dedication to the club whether that be working from home or their office in what have been very unsettling times for them. Finally we must thank the owners for their continued support of the club throughout these financially challenging and unprecedented times.

Steve Waggott
Chief Executive Officer
11 December 2020

Principal activities

The principal activity of the company throughout the year continues to be that of a professional football club with related commercial activities.

Business review

For the year to 30 June 2020 the company recorded an operating loss before trading of intangible assets of £20.1m (2019 - loss £16.1m). A loss on trading of intangible assets of £1.2m (2019 - loss £1.6m) brought the pre-tax loss to £21.9m (2019 - loss £18.2m). The key performance indicators are as shown in the table below;

	2019/20 £m	2018/19 £m	2017/18 £m	2016/17 £m	2015/16 £m
Turnover	13.5	16.7	9.0	14.9	22.0
Other operating income	0.6	0.0	0.0	0.0	0.0
Wages & salaries	25.6	22.4	16.8	22.0	25.3
Other operating expenses	8.6	10.4	8.9	5.9	10.7
Operating loss before trading of intangible assets	(20.1)	(16.1)	(16.7)	(13.0)	(14.0)
Interest payable	0.6	0.5	0.4	0.6	1.5
Loss before trading of intangible assets	(20.7)	(16.6)	(17.1)	(13.6)	(15.5)
Intangible fixed asset trading	(1.2)	(1.6)	0.3	9.8	14.0
(Loss) / Profit before tax	(21.9)	(18.2)	(16.8)	(3.8)	(1.5)
Net cash movements (out) / in	0.4	(3.0)	0.5	2.2	(1.4)
Closing cash and cash equivalent	(13.9)	(14.3)	(11.2)	(11.7)	(13.9)
Finishing position in the:					
EFL League 1	-	-	2nd	-	-
Championship	11th	15th	-	22nd	15th
Average league attendance	13,836	14,508	12,832	12,688	14,129
Wage to turnover %	189.6%	134.1%	186.7%	147.7%	115.0%
Number of live TV games	5	7	4	5	3

The loss for the year has increased by £3.7m from last year, due mainly to the adverse impact of COVID-19, resulting in a decrease in turnover of £3.2m offset by a reduction in loss from player sales of £0.4m, increase in wages and salaries of £3.2m and decrease in operating expenses of £1.8m.

Average league attendance for 2019/20 shown above does not include one game that was played behind closed doors. In addition there were three home league games relating to the 2019/20 season that were played in the 2020/21 financial year, due to the extended season caused by the outbreak of the COVID 19 pandemic, the results for which are not shown above.

Turnover

Turnover has decreased to £13.5m (2019 - £16.7m); match day income has decreased by £1.1m (2020 - £2.6m: 2019 - £3.7m), media income has decreased by £0.6m (2020 £6.8m: 2019 - £7.4m), and commercial and other income have decreased by £1.5m (2020 £4.0m: 2019 - £5.5m).

Operating expenses

Promotion back into the Championship required the company to invest in the squad in order to be competitive, which is reflected in the increase in wages and salaries of £3.2m (2020 - £25.6m: 2019 - £22.4m). Operating expenses reduced to £8.6m (2019 - £10.4m), this trend is consistent throughout most expenditure lines.

Trading of intangible fixed assets

The loss on intangible fixed asset trading was £1.2m (2019 – loss £1.6m), a reduction in loss of £0.4m. Amortisation of players' transfer costs increased by £2.1m to £4.3m (2019 - £2.2m).

In addition, no payments were made to achieve player disposals during the year (2019 - £0.4m), and profit on sale of players during the year totalled £3.1m (2019 - £0.6m).

Cash flow

The company expended cash of £12.1m on operating activities compared to £16.5m in 2019. Receipts from player sales of £3.7m (2019 - £1.2m) were offset by £5.2m (2019 - £5.2m) for the acquisition and cost of disposal of player registrations and tangible fixed assets. There was an increase of £0.1m in interest charges, which has resulted in a net inflow in cash of £0.4m in the year (2019 – outflow £3.0m).

Principal risks and uncertainties

The board constantly assesses the threats to the business, by close monitoring of the football sector at its level, and via communication with the company's owners.

Business risks identified include reduced income arising from uncertainty as to progress of the company in the various competitions it participates in. During the year under review, the company has traded without restriction under Championship Profit and Sustainability rules.

COVID-19 continues to impact our operations and relationships with all our stakeholders, with the extent dependant on factors including, but not limited to, the length of lockdown and the time before supporters can attend games once again, the severity of economic efforts and recovery therefrom, together with the effectiveness of the emerging vaccines in dealing with the pandemic.

The company is regulated by the rules of the FA, Football League, Premier League, UEFA and FIFA. Any change to the regulations of these bodies could have an impact on the company as they cover areas such as; competition format, distribution of media income, player eligibility and operation of the transfer market. The board ensures compliance with all relevant rules and regulations, and monitors the impact of any potential changes.

M Cheston
Finance Director
11 December 2020

Directors

S Waggott (Chief Executive Officer)
M Cheston (Finance Director)
R Gandhi Babu
R D Coar

The directors present their report and financial statements for the year ended 30 June 2020.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (The Financial Reporting Standard in the UK and Republic of Ireland).

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Proposed dividends

The directors do not recommend the payment of a dividend (2019 - nil).

Employees and environmental policies

The company is committed to ensuring that it complies with all relevant legislation, in connection with unlawful or unfair discrimination of any kind in its business. The company's employment policies are designed to retain and motivate staff at all levels. During the year to 31 December 2019, the group maintained its 100% waste management recycle percentage, reducing its impact on the environment by handling 30 tonnes less waste and saving landfill tax. The company constantly monitors energy saving opportunities, and continues to implement policies.

Provision of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each 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.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and PM+M Solutions for Business LLP will therefore continue in office.

This report was approved by the board on 11 December 2020 and signed on its behalf by

M Cheston

M Cheston
Finance Director

REGISTERED OFFICE
Ewood Park
Blackburn
BB2 4JF

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

Opinion

We have audited the financial statements of The Blackburn Rovers Football and Athletic Limited for the year ended 30 June 2020 set out on pages 12 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (The Financial Reporting Standard in the UK and Republic of Ireland).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK), (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is material misstatement in the financial statements or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- 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 and;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.
Misstatements can arise from fraud or error are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate . This description forms part of our auditors' report.

Use of our report

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.

PM+M Solutions for Business LLP

David Gorton (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP
Statutory Auditors
11 December 2020
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2020

	Note	2020 £ Operations excluding trading of intangible fixed assets	2020 £ Trading of intangible fixed assets	2020 £ Total	2019 £ Total
TURNOVER	4	13,522,320	-	13,522,320	16,673,961
Other operating income		576,892	-	576,892	-
Operating expenses - non exceptional		34,240,336	4,339,940	38,580,276	35,009,346
OPERATING LOSS	5	(20,141,124)	(4,339,940)	(24,481,064)	(18,335,385)
Profit on disposal of intangible fixed assets	8	-	3,143,857	3,143,857	612,263
LOSS BEFORE INTEREST AND TAXATION		(20,141,124)	(1,196,083)	(21,337,207)	(17,723,122)
Net interest payable	9			(613,500)	(495,475)
LOSS BEFORE TAXATION				(21,950,707)	(18,218,597)
Taxation	10			1,431	-
LOSS FOR THE YEAR				(21,949,276)	(18,218,597)

The notes on pages 16 to 29 form an integral part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2020

	Note	2020	2020	2019	2019
		£	£	£	£
FIXED ASSETS					
Intangible fixed assets	11		8,696,661		7,873,101
Tangible fixed assets	12		30,071,027		30,800,983
Investments	13		100		100
			38,767,788		38,674,184
CURRENT ASSETS					
Stock	14	121,426		472,032	
Debtors - amounts falling due within one year	15	1,690,126		5,194,901	
- amounts falling due after one year	16	24,531		199,940	
Cash at bank and in hand	17	184,579		348,371	
		2,020,662		6,215,244	
CREDITORS:					
- amounts falling due within one year	18	170,786,030		152,573,869	
NET CURRENT LIABILITIES			(168,765,368)		(146,358,625)
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES			(129,997,580)		(107,684,441)
CREDITORS:					
- amounts falling due after one year	19		3,080,574		3,347,777
DEFERRED GRANTS	22		907,759		1,004,419
NET LIABILITIES			(133,985,913)		(112,036,637)
CAPITAL AND RESERVES					
Called up share capital	23		146,988,484		146,988,484
Revaluation reserve	24		1,295,825		1,295,825
Profit and loss account	24		(282,270,222)		(260,320,946)
SHAREHOLDERS' DEFICIT			(133,985,913)		(112,036,637)

The financial statements were approved by the board on 11 December 2020 and signed on its behalf by:

M. Chesh

M Cheston, Director

The Blackburn Rovers Football and Athletic Limited (Registered no. 53482)

The notes on pages 16 to 29 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2020

	Share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 July 2019	146,988,484	1,295,825	(260,320,946)	(112,036,637)
Comprehensive loss for the year				
Loss for the year	-	-	(21,949,276)	(21,949,276)
At 30 June 2020	**146,988,484**	**1,295,825**	**(282,270,222)**	**(133,985,913)**

	Share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 July 2018	146,988,484	1,295,825	(242,102,349)	(93,818,040)
Comprehensive loss for the year				
Loss for the year	-	-	(18,218,597)	(18,218,597)
At 30 June 2019	146,988,484	1,295,825	(260,320,946)	(112,036,637)

The notes on pages 16 to 29 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2020

	2020	2019
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(21,949,276)	(18,218,597)
Adjustments for:		
Amortisation of intangible fixed assets	4,339,940	2,235,888
Profit on sale of intangible fixed assets	(3,143,857)	(612,263)
Depreciation of tangible fixed assets	1,286,410	1,332,240
Profit on sale of tangible fixed assets	(9,819)	(2,391)
Release of deferred grants	(96,660)	(96,660)
Net interest paid	613,500	495,475
Decrease / (Increase) in stock	350,606	(329,253)
Decrease in amounts owed by group undertaking	2,146,446	31,901
Decrease / (Increase) in debtors	1,017,201	(572,211)
Increase / (Decrease) in creditors	3,384,571	(789,604)
Net cash outflow from operations	(12,060,938)	(16,525,475)
Net interest paid	(613,500)	(495,475)
Net cash outflow from operating activities	(12,674,438)	(17,020,950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire intangible fixed assets	(4,622,726)	(4,482,669)
Payments to acquire tangible fixed assets	(589,328)	(293,985)
Payments to dispose of intangible fixed assets	-	(419,398)
Receipts from disposal of intangible fixed assets	3,660,394	1,204,408
Receipts from disposal of tangible fixed assets	87,838	2,391
Net cash inflow from investing activities	(1,463,822)	(3,989,253)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in amounts owed to group undertakings	14,118,151	18,083,844
Increase in other loans	584,000	-
Repayment of other loans and hire purchase creditor	(169,559)	(97,467)
Net cash inflow from financing activities	14,532,592	17,986,377
Increase in cash and cash equivalents	394,332	(3,023,826)
MOVEMENT IN CASH AND CASH EQUIVALENTS IN THE YEAR		
Increase / (Decrease) in cash and cash equivalents	394,332	(3,023,826)
At 1 July 2019	(14,271,122)	(11,247,296)
At 30 June 2020	(13,876,790)	(14,271,122)

The notes on pages 16 to 29 form an integral part of these financial statements.

1 COMPANY INFORMATION

The company is a private company, limited by shares and incorporated in England and Wales. The registered office is Ewood Park, Blackburn, BB2 4JF. The principal activity is that of a professional football club with related commercial activities.

2 ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The financial statements contain information about The Blackburn Rovers Football and Athletic Limited as an individual company and do not contain consolidated financial information as the parent company of a group. The company has taken advantage of the exemption available to it under s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included within the consolidated financial statements of Venkys London Limited.

The principal accounting policies applied by the company are described below.

Going concern

At 30 June 2020 the company had net current liabilities of £168,765,368 and reported an operating loss, before changes in intangible fixed assets, of £20,141,124 for the year. In common with many football clubs, the company may continue to make operating losses and incur net cash outflows depending on a number of variables including the success of the team in league and cup competitions and the level of transfer activity. The company is funded through a bank overdraft facility, and shareholder loans, and in view of the current financial position the company remains reliant on its ability to maintain existing and obtain additional funding as necessary.

In managing the finances of the company the directors remain mindful of the need to ensure the company will comply with the Championship Profitability and Sustainability rules.

The bank facility with SBI is due to expire on 30 May 2021. The directors believe the facility will be renewed. As part of the directors' assessment of going concern they have prepared detailed cash flow forecasts for the period to the end of June 2022. These forecasts indicate that the company will require significant funding in addition to the current facilities available to the company.

The amount of additional funding required will be dependent on the net proceeds of any player trading, on field performance, and availability of bank facilities. In view of this the directors have received confirmation from the ultimate parent company (Venkateshwara Hatcheries Pvt. Ltd) that it has sufficient funds and is willing to provide such additional financing as may be required to fund the company, to the extent necessary for the company to continue to trade and to pay its liabilities as and when they become due, for the twelve months following approval of these accounts and thereafter for the foreseeable future, even in the event of the bank facility not being renewed.

2 ACCOUNTING POLICIES - continued

On the basis of the assessment outlined above the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing these financial statements.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Turnover and income recognition

Turnover is stated net of Value Added Tax and amounts due to the Premier League, Football League, Football Association and visiting football clubs. It includes gate receipts, executive boxes, sponsorships, merchandising, advertising, television fees, Football / Premier League pool and sundry related income.

Gate receipts and other match day revenue is recognised over a football season as the matches occur. Merchandising income is recognised at the point of sale. Other revenue comprising media and commercial income is apportioned evenly over the football season or contract term as appropriate.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible fixed assets

The costs associated with the acquisition of new players' registrations are capitalised as intangible fixed assets. These costs are fully amortised, in equal annual instalments, over the period of the player's initial contract. The external costs of securing the extension or renewal of an existing contract both for internally produced and externally purchased players are capitalised and amortised over the period of the players' new contract.

Signing on fees and other contingent fees payable to players as a result of the occurrence of one or more uncertain future events are expensed when they occur.

Impairment

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of income-generating units are allocated to the carrying amount of the intangible fixed assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

2 ACCOUNTING POLICIES - continued

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful economic lives on the following bases:

Motor vehicles	-	25%	per annum on cost
Fixtures and fittings	-	10%	per annum on cost
Computer equipment	-	20%	per annum on cost
Freehold buildings	-	2%	per annum on cost

No depreciation has been provided on freehold land.

Revaluation of tangible fixed assets

As permitted by the provisions of FRS 102 the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued in 1995 and will not update that valuation.

Fixed asset investments

Investment in subsidiary is measured at cost less any accumulated impairment losses. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2 ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Revenue grants are credited to profit and loss account in the same period in which the revenue expenditure to which they relate is charged. Capital based grants are credited to revenue over the life of the asset to which they relate. The deferred element of grants is included as deferred income.

The useful lives are as follows:

Freehold buildings	50 years
Fixtures and fittings	10 years

2 ACCOUNTING POLICIES - continued

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

A deferred tax asset is recognised only if 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.

Pensions

The company is making contributions in respect of its share of the deficit of the defined benefit section of the Football League Pension and Life Assurance Scheme (the "Scheme").

Under the provisions of FRS 102 the Scheme is treated as a defined benefit multi-employer scheme. The financial statements provide for the company's estimated share of the Football League Limited Pension and Life Assurance deficit. The value provided is based on the current actuarial valuation dated 1 September 2017. Contributions are made as advised by the scheme actuary.

The company also makes contributions to defined contribution pension schemes for certain employees. The employer's contributions are charged to the profit and loss account in the year in which the liability to pay arises.

Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments in the balance sheet.

Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

Operating Costs

The directors consider that all operating costs incurred can most accurately be categorised as administration costs.

3 JUDGMENT IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the company's accounting policies, which are described above, management has made some judgments that have significant effect on the amounts recognised in the financial statements. These also include key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date. The main areas of judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to revenue recognition of central distributions from football authorities and impairment of fixed assets.

4 TURNOVER

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Matchday	2,653,363	3,733,583
Media	6,823,252	7,431,044
Commercial	3,976,323	5,509,334
Other	69,382	-
	13,522,320	16,673,961

5 OPERATING LOSS

The operating loss is stated after charging / (crediting):

		2020	2019
		£	£
Amortisation of intangible fixed assets		4,339,940	2,235,888
Depreciation of tangible fixed assets:	owned by the company	1,243,450	1,288,419
	under hire purchase	42,960	43,821
Profit on disposal of tangible fixed assets		(9,819)	(2,391)
Auditors' remuneration:	audit work	35,250	34,813
	non audit work	7,563	11,668
Operating lease payments		29,956	26,847
Furlough income		(576,892)	-
Deferred grants release		(96,660)	(96,660)

6 STAFF COSTS

	2020	2019
	£	£
Wages and salaries	22,367,552	19,631,909
Social security costs	3,098,277	2,647,996
Other pension costs	133,521	111,907
	25,599,350	22,391,812

The average number of employees, including directors, during the year was as follows:

	2020	2019
	No.	No.
Senior football players and management	81	81
Academy football players and management	64	52
Commercial, sponsorship, media and merchandising	25	37
Administration	23	23
Building, ground and pitch maintenance	32	33
	225	226

7 DIRECTORS' REMUNERATION

Emoluments for services as directors:

	No. of directors	Salaries	Pension	Benefits	Total
		£	£	£	£
Executive directors:					
2020	**3**	**469,049**	**17,515**	**9,612**	**496,176**
2019	3	543,200	17,125	9,833	570,158

During the year 2 (2019 - 2) directors were members of a money purchase pension scheme.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	**270,682**	319,329
Company pension contributions	**1,315**	925

8 TRANSFER FEES AND ASSOCIATED COSTS

	2020	2019
	£	£
Amortisation of intangible fixed assets	**(4,339,940)**	(2,235,888)
Profit on disposal of intangible fixed assets	**3,143,857**	612,263
	(1,196,083)	(1,623,625)

9 NET INTEREST PAYABLE

	2020	2019
	£	£
Interest receivable		
Short term deposits and other interest	**80**	407
Interest payable		
On bank overdrafts and other loans	**(575,107)**	(473,553)
Hire purchase interest	**(38,473)**	(22,329)
	(613,580)	(495,882)
Net interest payable	**(613,500)**	(495,475)

10 TAXATION

	2020	2019
	£	£
The tax credit comprises:		
UK corporation tax	-	-
Adjustment in respect of prior year	1,431	-
Tax on loss on ordinary activities	1,431	-

The actual tax charge for the current year differs from the standard rate of 19% (2019 - 19%) for the reasons set out in the following reconciliation:

	2020	2019
Loss on ordinary activities before tax	(21,950,707)	(18,218,597)
Tax on loss on ordinary activities at 19% (2019 - 19%)	(4,170,634)	(3,461,533)
Effects of :		
Expenses not deductible for corporation tax purposes	16,316	247,395
Non-taxable income	(18,365)	(18,365)
Deferred tax not recognised	4,174,114	3,232,503
Other permanent difference	-	-
Total amount of tax	1,431	-

Taxable losses from previous years are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of those losses as the company does not anticipate taxable profits to arise within the foreseeable future. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 19% (2019 - 17%) is £48m (2019 - £39m).

The research and development tax credit arose from expenditure in previous years within the company's medical team, which were not specifically identified as research costs in the financial statements.

11 INTANGIBLE FIXED ASSETS

		Player registrations
		£
Cost	At 1 July 2019	12,276,907
	Additions	5,163,500
	Disposals	(204,000)
	At 30 June 2020	17,236,407
Amortisation	At 1 July 2019	4,403,806
	Charge for the year	4,339,940
	On disposals	(204,000)
	At 30 June 2020	8,539,746
Net book value	**At 30 June 2020**	8,696,661
	At 1 July 2019	7,873,101

12 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 July 2019	45,900,226	9,067,426	243,538	55,211,190
Additions	108,914	525,559	-	634,473
Disposals	-	(98,624)	-	(98,624)
At 30 June 2020	46,009,140	9,494,361	243,538	55,747,039
At cost	10,934,140	9,494,361	243,538	20,672,039
At valuation - 1995	35,075,000	-	-	35,075,000
	46,009,140	9,494,361	243,538	55,747,039
Depreciation				
At 1 July 2019	16,710,642	7,499,298	200,267	24,410,207
Charge for the year	868,373	404,100	13,937	1,286,410
On disposals	-	(20,605)	-	(20,605)
At 30 June 2020	17,579,015	7,882,793	214,204	25,676,012
Net book value				
At 30 June 2020	28,430,125	1,611,568	29,334	30,071,027
At 1 July 2019	29,189,584	1,568,128	43,271	30,800,983

The net book value of assets held under hire purchase contracts is £316,409 (2019 - £385,089), depreciation for the year on assets held under hire purchase contracts was £42,960 (2019 - £43,821). Included within freehold land and buildings is land at a value of £3,720,000 which has not been depreciated.

On the historical cost basis, land and buildings included at valuation would have been included as follows:

	2020	2019
	£	£
Deemed historical cost of revalued assets	34,099,059	34,099,059
Cumulative depreciation based on deemed historical cost	(14,324,434)	(13,665,280)
Deemed historical cost net book value	19,774,625	20,433,779

13 FIXED ASSET INVESTMENT

	Shares in Group Undertakings
	£
Cost	100
At 30 June 2020	100

The investment represents 100% of the ordinary share capital of Blackburn Rovers Ladies Football Club Limited, registered in the UK. The subsidiary is a professional football club.

14 STOCK

	2020	2019
	£	£
Goods held for resale	121,426	472,032

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £584,481 (2019 - £1,050,412).

15 DEBTORS - amounts falling due within one year

	2020	2019
	£	£
Trade debtors	299,899	1,189,184
Football related debtors	595,707	936,835
Amounts owed by group undertaking	86,416	2,146,446
Other debtors	35,302	32,924
Social security and other taxes	197,376	-
Prepayments and accrued income	475,426	889,512
	1,690,126	5,194,901

16 DEBTORS - amounts falling due after more than one year

	2020	2019
	£	£
Football related debtors	24,531	199,940

17 CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	184,579	348,371
Bank overdraft	(14,061,369)	(14,619,493)
	(13,876,790)	(14,271,122)

18 CREDITORS - amounts falling due within one year

	2020	2019
	£	£
Bank overdraft	**14,061,369**	14,619,493
Amounts owed to parent undertaking	**140,928,871**	126,810,720
Other Loan	**97,300**	-
Trade creditors	**1,737,278**	2,497,764
Football related creditors	**4,288,005**	3,930,564
Social security and other taxes	**5,368,309**	2,396,339
Other creditors	**67,242**	109,991
Pension deficit	**118,012**	112,392
Hire purchase creditors	**93,931**	111,045
Accruals and deferred income	**4,025,713**	1,985,561
	170,786,030	152,573,869

The amounts due to the parent company of £140,928,871 (2019 - £126,810,720) have been treated as falling due within one year as this is the technical legal status of the loans at the balance sheet date. As described in note 2, subsequent to the year end the parent company has confirmed that, as in previous years, it will provide sufficient financing to support the company for the twelve months following approval of these accounts.

The amounts owed to the parent undertaking above are interest free with no fixed date for repayment.

The bank overdraft facility expires on 30 May 2021. The directors believe the facility will be renewed on acceptable terms and conditions.

The bank overdraft is secured by a corporate guarantee from the holding company, Venkys London Limited. Interest is paid upon the facility at 2.65% over 6 month GBP LIBOR.

Hire purchase creditors are secured by the assets to which they relate.

19 CREDITORS - amounts falling due after more than one year

	2020	2019
	£	£
Social Security and other taxes	**355,962**	1,067,886
Pension deficit	**179,736**	297,748
Other Loan	**486,700**	-
Hire purchase creditors	**74,843**	182,143
Football related creditors	**1,983,333**	1,800,000
	3,080,574	3,347,777

Other loan is an interest free advance against future distributions from the EFL, repayable by 5 separate instalments of £97,300 in April 2021, October 2021, April 2022, October 22 and April 2023 with the final instalment of £97,500 repayable in October 2023.

Hire purchase creditors are secured by the assets to which they relate.

20 FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets measured at fair value through profit or loss	184,579	348,371
Financial assets that are debt instruments measured at amortised cost	1,041,855	4,505,329
	1,226,434	4,853,700
Financial liabilities measured at amortised cost	168,221,259	153,227,559

Financial assets measured at fair value through profit or loss comprise cash and bank balances.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise creditors, excluding deferred government grants and tax and social security.

21 HIRE PURCHASE CREDITORS

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Within 1 year	93,931	111,045
Between 1 and 2 years	41,146	100,650
Between 2 and 5 years	33,697	81,493
	168,774	293,188

22 DEFERRED GRANTS

	2020	2019
	£	£
Outstanding at beginning of year	1,004,419	1,101,079
Released to profit and loss account in the year	96,660	96,660
Outstanding at end of year	907,759	1,004,419
Amount to be released within one year	96,660	96,660

23 CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Allotted, called up - fully paid		
146,988,484 (2019 - 146,988,484) ordinary shares of £1 each	146,988,484	146,988,484

24 RESERVES

Profit and loss reserve:

The profit and loss reserve represents cumulative profits or losses. The current year profit and loss reserve amounts to a deficit of £282,270,222 (2019 - £260,320,946)

Revaluation reserve:

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings. The current year revaluation reserve amounts to £1,295,825 (2019 - £1,295,825)

25 PENSIONS

Pension contributions are paid by the company into the personal pension schemes of certain employees. The assets of their schemes are held separately from those of the company in independently administered funds. The contributions paid during the year amounted to £133,521 (2019 - £111,907), of which £10,904 (2019 - £12,581) was outstanding at year end.

The company is a participating employer in the Football League Limited Pension and Life Assurance Scheme (the "Scheme"). Accrual of benefits under a final salary basis was suspended with effect from 31 August 1999 following an actuarial review, which revealed a substantial deficit. The company is advised of its share of the deficit in the Scheme and the contributions required to make good that deficit, based on the latest actuarial valuation at 1 September 2017. The increase in the deficit in the year, which has been charged as an expense, amounted to £NIL (2019 - £NIL). The company's share of this deficit is currently estimated to be £297,748 (2019 - £410,140). This deficit has been provided for in these accounts and is included in creditors.

26 POTENTIAL FUTURE PLAYER REGISTRATION PAYMENTS

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due, dependent upon the success of the team and/or the individual players. Similar terms exist in contracts for sales of players' registrations.

Any amount payable in relation to playing appearance and team performances are recognised when the event occurs. The maximum potential payment for amounts due to football clubs and other third parties for first team players is £5.0m (2019 - £3.9m).

27 CAPITAL COMMITMENTS

At 30 June 2020 the company had capital commitments as follows:

	2020	2019
	£	£
Contracted for but not provided in these accounts net of grants receivable	**88,313**	87,645

28 OTHER COMMITMENTS

At 30 June 2020 the company had future minimum lease payments under non cancellable operating leases as follows:

	2020	2019
	£	£
Within 1 year	**28,600**	17,851
Between 1 and 5 years	**17,178**	13,420

29 RELATED PARTY TRANSACTIONS

During the year, the company received rent and other income of £180,195 (2019 - £152,122) from Blackburn Rovers Community Trust. In addition certain expenses were incurred and recharged to Blackburn Rovers Community Trust. At the balance sheet date an amount of £937 was owed to the Trust by the company (2019 - £18,792 debtor) in respect of these transactions, and is disclosed within other creditors / debtors. At 30 June 2020 Blackburn Rovers Community Trust had seven trustees, of which two were directors of The Blackburn Rovers Football and Athletic Limited.

30 PARENT COMPANY

The company is a subsidiary undertaking of Venkys London Limited, with Venkateshwara Hatcheries Pvt. Ltd. being the ultimate parent company, which is incorporated in India. Ultimate control is held by Mrs Anuradha J Desai, Mr B Venkatesh Rao and Mr B Balaji Rao.

The largest group in which the results of the company are consolidated is that headed by Venkys London Limited, incorporated in the United Kingdom. The consolidated financial statements of this group are available to the public and obtainable from Companies House.

31 POST BALANCE SHEET EVENTS

Since the balance sheet date the company has entered into transfer agreements amounting to net transfer fees payable of £0.7m (2019 - £1.9m).

32 CONTINGENT ASSET

The restrictions imposed by the government on professional football led to some matches being played behind closed doors and others being deferred into the following year. This has reduced the income reported in the financial year, although the government's furlough scheme mitigated the impact of this slightly.

The company had taken out an insurance policy to cover loss of profits due to business interruption as a consequence of infectious disease and has made a claim under the terms of this policy. The insurance company have acknowledged the claim and have indicated that they anticipate making a settlement but have not provided any indication of the level of such a settlement. Accordingly the directors consider that at the time of approval of the accounts there is insufficient evidence to support the recognition of an asset in respect of this claim. It is not anticipated that the receipt will in any case exceed £1m in respect of the period to 30 June 2020.