THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

(Registered no. 53482)

THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

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YEAR ENDED 30 JUNE 2023

COMPANY INFORMATION

YEAR ENDED 30 JUNE 2023

DIRECTORS:	S Waggott (Chief Executive Officer) M Cheston (Finance Director) R Gandhi Babu M Sreenivasa Rao (Appointed 12.09.23) 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

Galling last-minute goals against Coventry City and Preston North End in the Championship, as well as against Sheffield United in the quarter-finals of the FA Cup, may have cost Rovers a place in the play-offs and potentially a first visit to the new Wembley, but there were still a multitude of memorable moments to savour from new head coach Jon Dahl Tomasson's first season in charge of the club.

The Dane arrived at Rovers in June, having led Swedish side Malmo FF to back-to-back Allsvenskan league titles, as well as to the group stages of the Champions League.

He strengthened his squad with the permanent captures of defender Dom Hyam from Coventry City, full-back Callum Brittain from Barnsley and forward Sammie Szmodics from Peterborough United, along with the loan signings of midfielder Tyler Morton from Liverpool, striker George Hirst from Leicester City and defender Clinton Mola from VfB Stuttgart.

The new Tomasson reign got off to the perfect start! Newly-appointed captain Lewis Travis netted the only goal of the game with a spectacular strike to seal a 1-0 victory over QPR at Ewood Park on the opening day of the season, with Rovers winning their first four matches in all competitions to go top of the Championship table and through to the second round of the Carabao Cup.

A bizarre sequence of alternating between victories and defeats soon followed, prior to a four-match winning streak in October, which propelled Rovers back into the automatic promotion places and included a first senior goal in blue-and-white for emerging star Adam Wharton.

Over 2,000 travelling Rovers fans were treated to a night to remember in the capital in November, as Jack Vale's first goal for the club and Ben Brereton Diaz's stunning late equaliser sent our Carabao Cup third round tie away to West Ham United straight to penalties, which Rovers won 10-9!

Following a month-long break for the World Cup and some mixed results over the Christmas period, Rovers kicked off the New Year with back-to-back wins over Cardiff City in the league and Norwich City in the third round of the FA Cup, before recording their first league draw of the campaign away at Bristol City in late January, which was quickly followed by three more draws against Wigan Athletic, Watford and West Bromwich Albion.

As Tomasson's exciting brand of modern and fluid football really started to take shape, Rovers won their next four Championship fixtures – defeating Swansea City, Blackpool, QPR and Sheffield United (thanks to Harry Pickering's Goal of the Season) – whilst also dumping Leicester City out of the FA Cup on another memorable midweek meeting with Premier League opposition.

That triumph set up a mouth-watering quarter-final tie away to Sheffield United, with the winners earning a trip to Wembley. Backed by almost 6,000 supporters at Bramall Lane and despite leading twice on the day, it wasn't to be for Tomasson's troops, as Tommy Doyle's 90-minute strike broke Rovers' hearts.

Late goals would come back to bite Rovers again during the run-in, as Coventry City controversially salvaged a share of the spoils at Ewood Park when goalkeeper Ben Wilson bundled the ball home, before Dom Hyam inadvertently sliced into his own net just three days later away to Preston North End.

Hayden Carter's first Rovers goal in the final home fixture of the season earned a valuable point against Luton Town to keep our play-off hopes alive, but we headed to Millwall on the final day needing results elsewhere to go in our favour. In a dramatic encounter at The Den, Rovers came back from 3-1 down to record a thrilling 4-3 victory to maintain their side of the bargain, but Sunderland's 3-0 win at Deepdale saw them sneak into sixth spot.

Ben Brereton Diaz's final day brace saw him end the campaign with 16 goals, and 47 in Rovers colours, ahead of a summer switch to Spain, as Rovers reflected on a season of what might have been for their developing young side, who showed plenty of pride and promise throughout the course of the campaign.

Under-21s

A strong end to the 2022-23 campaign saw Rovers – the only Championship side in PL2 Division 1 – reach the final of the Premier League Cup and preserve their top-flight status for a sixth successive season.

Mike Sheron's side claimed vital victories over West Ham United, Tottenham Hotspur and Crystal Palace from their last five league games to secure a top ten finish in Premier League 2. .

The development squad also enjoyed a memorable Premier League Cup campaign, winning 4-1 away at Southampton in the quarter-finals and 6-1 at home to Nottingham Forest at the semi-final stage to set up a final against Brentford at the Gtech Community Stadium, which the hosts won 2-1.

Harry Leonard, who was one of over 65 different players used by the Under-21s throughout the course of the campaign, netted 19 goals in all competitions to force his way into the first team fold.

ACADEMY/U18s

2022-23 would prove to be a proud season for the Academy, with no fewer than five home-grown youngsters – Ash Phillips, Adam Wharton, Jake Garrett, Jake Batty and Harry Leonard – all making their debuts for the first team.

Phillips and Wharton would also go on to make their debuts for England Under-19s, Dominik Biniek helped Poland Under-19s qualify for the European Championships and Rovers Under-14s/15s won the IberCup in Portugal courtesy of a dramatic victory over Sporting Lisbon – with Rory Finneran and Bruce Leeming, who were key members of that team, earning international recognition with Ireland and Wales.

Phillips, who was one of four players along with Batty, James Edmondson and Harley O'Grady-Macken to sign their first professional contracts with the club, was named the Championship Apprentice of Season at the EFL Awards after a standout season for club and country, which would ultimately earn him a summer switch to Spurs.

On the pitch, Ryan Kidd's side finished 10th in the U18 Premier League after winning a third of their 24 league games, whilst they were knocked out of the FA Youth Cup at the third round stage, losing 3-0 away to Manchester City.

LADIES

Rovers Ladies kicked-off their fourth successive season in the Women's Championship with a memorable 1-0 victory over Sheffield United in front of a record crowd of just over 1,000 fans at Ewood Park.

The team would go on to finish 10th in the table for the second season running, with a club best tally of 23 points at Championship level, after ending the campaign in style with back-to-back 1-0 wins over Lewes and Sunderland.

Long-serving manager Gemma Donnelly, who gave Rovers debuts to England internationals Keira Walsh, Georgia Stanway and Ella Toone earlier in their careers, left her role towards the end of the season after 16 years' service with the club, with Matt Bee taking over on an interim basis.

Prolific goalscorer Saffron Jordan, who netted 10 goals in 22 league games to take her tally to 130 goals in Rovers colours, was named Player of the Year, whilst Jade Richards scooped the Players' Player award and Niamh Murphy won the Young Player of the Year award.

A new era dawned in June 2023 when the team underwent a positive and modern rebrand to Blackburn Rovers Women, to align with the club's OneRovers ethos.

The 2022-23 season saw a raft of changes across the Men's and Women's senior teams.

It was the start of the new Jon Dahl Tomasson era following his appointment as Head Coach on the 14th June 2022, with him signing a three-year contract until the 30th June 2025.

Also new to the club were Assistant Coach Remy Reynierse and Performance Director Ben Rosen. David Lowe, Damien Johnson and Ben Benson made up the senior backroom coaching staff.

This new era also included our new Director of Football, Gregg Broughton, following the announcement that he had joined the club from FK Bodo Glimt (Norway) on the 8th June 2022.

Amongst other changes to the football staffing structure, we also secured the services of the experienced Sean Kimberley to head up the key area of recruitment.

The 2022-23 campaign ended with us narrowly missing out on the play-offs, finishing in seventh place, with us being one point behind fifth-placed Coventry City (70) and on the same points total of 69 as sixth-placed Sunderland, but with an inferior goal difference.

Success in the domestic cup competitions saw us reach the quarter-finals of the FA Cup, losing 3-2 away to Sheffield United, and going out in the fourth round of the Carabao Cup against Nottingham Forest.

Overall, the first team squad had another strong season with lady luck deserting us, especially with two very late goals conceded against local rivals Preston North End and Coventry City, but ultimately those are the fine margins that can define an entire season's work.

The Under-21s remained under the experienced guidance of lead coach Mike Sheron that saw them finish in 10th position in a very competitive Premier League 2 Division One, with a total of 29 points.

With our integration of the Under-21s increasing and them being in and around the senior first team squad, it resulted in some of our developing players being included in the first team planning, leading to Mike having to work with a very young group of players.

Whilst challenging for Mike and his coaching staff, this exposure for all of our emerging talent will accelerate their progress by playing up to a higher level.

Our Category One Academy programme continued to develop and produce talented young players aligned to the club's philosophy. Player development was at the forefront and is fundamental to the future growth of the club, so the focus was once again around creating the opportunities and pathway into the first team from the emerging young talent pool throughout the 2022-23 season.

During the 2022-23 season, the trend of introducing Academy players into the first team continued, with an Academy player being named on the first team team sheet increasing to the last 636 league games, dating back to January 2009.

We continue to have a very strong and exciting pipeline of young players at Under-18 and Under-21 levels that highlights further encouraging signs of the ongoing string of emerging talent coming out of our Category One Academy. We would like to thank the staff for the exceptional work associated with our youth set-up, led by Academy Manager Stuart Jones.

There was also the start of a new chapter for our Blackburn Rovers Women's team. These changes included the appointment of a new General Manager, Ellis Clark, with Matt Bee stepping up to interim Head Coach.

Martin Hamer joined as Head of Performance and Pete Sutton came in as Commercial and Marketing Manager.

The Women's team ended the 2022-23 campaign in 10th position, with their highest ever points haul of 23, so well done to all concerned.

Can we also take this opportunity to thank all of the players and backroom staff who served the club over a number of years before leaving at the end of the season and we wish them well in their future careers.

Off the pitch, the cost of living issues continued, with energy and food prices rising sharply resulting in double-digit inflation rates.

The direct impact of all the above factors has resulted in the club incurring more costs right across the business, just as revenue streams were beginning to return to previous levels. We continue to carefully manage the club to remain stable and compliant within the current Financial Fair Play rules and the Profit and Sustainability parameters.

A wide-ranging programme of refurbishment and renovation of all sites was undertaken during the year, including work at Ewood Park on increasing the stitching of certain areas of the pitch, the continued cleaning of the roofs and metal structures on the top of the stands, plus further uplifts to the lounges.

The Senior Training Centre had work carried out on both external areas and internal rooms, whilst our Academy also underwent some internal improvements. All pitches on both sites were fully renovated to an exceptionally high level.

Looking to the future, the emphasis and focus for the club continues to be on trying to increase commercial revenue streams.

Key to any growth plan will be the further development of our Business Club; improving match day experience and attendance levels where and whenever possible; continued fan engagement through our ongoing community integration work, whilst attracting new Next Generation supporters via increased links with schools and youth organisations across the region.

The remit of the club's Integration & Development Manager, Yasir Sufi, working closely with our award-winning Community Trust, is to continue to widen our reach into relatively untapped community groups and business networks across the area. These combined efforts are starting to pick up a pace due to the introduction of the Ewood Express and Next Gen initiatives under the great work of Yasir and the Community Trust.

Special praise must also be given to our Community Trust who, under the leadership of CEO Gary Robinson, continually demonstrates outstanding community commitment through a range of critical projects, which are aimed at supporting the most vulnerable members of our community. We should commend them for their inspiring efforts and achievements throughout the year.

During 2022-23, the club continued to meet regularly with various supporter groups, forums and individuals, culminating in the signing of a Memorandum of Understanding (MOU) between the club and the Rovers Supporters Trust on the 15th June 2023.

The aim of the MOU is to eventually develop a strategic supporters group that will increase communication and consultation between the club and the members of this group. The Fans Forum will also continue to discuss operational issues.

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.

A particular mention should go to our staff for their hard work, loyalty and dedication to the club.

Finally, we must thank the Owners for their continued support of the club throughout these financially challenging and unsettling times.

Steve Waggott
Chief Executive Officer
19th December 2023

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 2023 the company recorded an operating loss before trading of intangible/tangible assets of £17.5m (2022 - loss £17.4m). A loss on trading of intangible assets of £3.1m (2022 - profit £6.0m) brought the pre-tax loss to £20.9m (2022 - loss £11.2m). The key performance indicators are as shown in the table below;

	2022/23 £m	2021/22 £m	2020/21 £m	2019/20 £m	2018/19 £m
Turnover	21.0	16.6	14.5	13.5	16.7
Other operating income	0.0	0.3	3.3	0.6	0.0
Wages & salaries	25.8	24.4	25.7	25.6	22.4
Other operating expenses	12.7	9.9	7.7	8.6	10.4
Operating loss before trading of intangible/tangible assets	(17.5)	(17.4)	(15.6)	(20.1)	(16.1)
Interest payable/(receivable)	0.3	(0.2)	0.5	0.6	0.5
Loss before trading of intangible/tangible assets	(17.8)	(17.2)	(16.1)	(20.7)	(16.6)
Tangible fixed asset trading	0	0	13.0	0	0
Intangible fixed asset trading	(3.1)	6.0	(3.5)	(1.2)	(1.6)
(Loss) / Profit before tax	(20.9)	(11.2)	(6.6)	(21.9)	(18.2)
Net cash movements in / (out)	(3.5)	1.6	0.8	0.4	(3.0)
Closing cash and cash equivalent	(15.0)	(11.5)	(13.1)	(13.9)	(14.3)
Finishing position in the Championship	7th	8th	15th	11th	15th
Average league attendance	14,819	13,501	0	13,836	14,508
Wage to turnover %	123.0%	147.0%	177.2%	189.6%	134.1%
Number of live TV games	23	11	7	5	7

The loss for the year increased by £9.7m (2022 actual loss £11.2m). Turnover increased by £4.4m which was offset by an increase in operating expenses of £2.8m. Other operating income fell by £0.3m to £0m. Player trading produced a loss of £3.1m (2022 profit £6.0m). Wages and salaries increased by £1.4m during the year.

Average league attendance for 2022/23 was 14,819 (2021/22 13,501).

As at 30 June 2023, the company had net current liabilities of £146,500,802 and reported an operating loss, before changes in intangible fixed assets, of £17,490,049 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.

As part of the directors' assessment of going concern they have prepared detailed cash flow forecasts for the period to the end of June 2024 and outline forecasts for a further 3 years beyond that. 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 Private Limited ("VHPL"), 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 12 months following approval of these accounts and thereafter for the foreseeable future even in the event of the bank facility not being renewed.

Further, the ultimate parent company, Venkateshwara Hatcheries Private Limited, has confirmed that it will not recall the amount outstanding of £123,052,900, included in creditors due in less than one year, within twelve months from the date of approval of these financial statements.

The directors would like to bring to the attention of readers of these financial statements, of an ongoing legal matter involving the ultimate parent company, Venkateshwara Holdings Private Limited and the Directorate of Enforcement ("ED") in India, whereby the ED have queried the application of funds by one of its subsidiaries, based in the UK, of funds remitted to them by VHPL. It is important to note that this does not include remittances made to The Blackburn Rovers Football & Athletic Limited ("BRFC").

The matter has resulted in the temporary suspension by the ED of remittance of funds to all the overseas subsidiaries of VHPL, including BRFC through its intermediate holding company, Venky's London Limited ("VLL"), by VHPL.

It should be noted that approval for interim remittances to support the operational funding requirements of BRFC has been granted on two previous occasions, following successful petitions made by VHPL, namely on 23 June 2023 for £3,540,000 and 31 October 2023 for £11,000,000. These successful petitions have continued to allow the company to meet its statutory liabilities as they fall due. The directors believe therefore that these previous two successful petitions have established a precedent for future funding requests being granted.

A further request will be made by VHPL in January 2024, to enable the club to meet future liabilities, up and until 30 June 2024.

Further, the directors note, as per a Court Order issued by the High Court of Delhi at New Delhi dated 31 October 2023, there have been no adverse findings specifically in relation to BRFC, and BRFC is not under any investigation by the ED. BRFC has met and continues to meet its liabilities, including salaries, Pay As You Earn, National Insurance and Value Added Tax, all on a timely basis.

The directors have maintained liquidity through a combination of strong cashflow management and utilisation of player sale proceeds, primarily in the transfer window of August 2023. Furthermore, BRFC has remained compliant with all relevant statutory and football authority regulations (including Profit and Sustainability regulations) in the period under review. As noted above, precedent for funding requests being granted has been set. In addition, the directors of BRFC have received confirmation from VHPL that it has sufficient funds and is willing to provide additional financing as may be required to continue to fund BRFC to the extent necessary for the company to continue to trade and to pay its liabilities as and when they become due, for at least twelve months from the date of signing these financial statements and thereafter for the foreseeable future.

A material uncertainty exists therefore due to the ability to remit sufficient funds to BRFC by VHPL not being in the control, at the time of the approval of these financial statements, of VHPL. If the court does not permit the release of future funds, there will be a significant impact on the company's ability to continue to trade.

However, on the basis of the precedent set by two previous petitions made by VHPL in India, the directors believe any future requests will be successful. They, therefore, maintain that the going concern basis of preparation of these financial statements remains appropriate.

Turnover

Turnover has increased to £21.0m (2022 - £16.6m); match day income has increased by £1.6m (2023 £5.0m: 2022 £3.4m), media income has increased by £1.3m (2023 £9.7m: 2022 £8.4m) and commercial and other income have increased by £1.3m (2023 £6.2m: 2022 £4.9m).

Operating expenses

Operating expenses reflected an increase in wages and salaries of £1.4m (2023 £25.8: 2022 £24.4m). Other operating expenses increased by £2.8m to £12.7m, (2022 - £9.9m).

Trading of intangible fixed assets

Net intangible fixed asset trading loss was £3.1m (2022 – profit £6.0m), a decrease of £9.1m. Included in this was amortisation of players' transfer costs which decreased by £0.6m to £3.4m (2022 - £4.0m). Profit on sale of players during the year totalled £0.3m (2022 - profit £10.0m).

Cash flow

The company expended cash of £2.3m on operating activities compared to £14.5m in 2022. Receipts from player sales of £5.6m (2022 - £6.1m) were offset by £3.9m (2022 - £2.4m) for the acquisition and cost of disposal of player registrations and tangible fixed assets. There was an increase of £0.5m in interest charges, which has resulted in a net outflow in cash of £3.5m in the year (2022 – inflow £1.6m).

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.

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
19th December 2023

Directors

S Waggott	(Chief Executive Officer)
M Cheston	(Finance Director)
R Gandhi Babu	
M Sreenivasa Rao	(Appointed 12.09.23)
R D Coar	

The directors present their report and financial statements for the year ended 30 June 2023.

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 (2022 - nil).

Going Concern

The directors would like to refer to the Strategic Report on page 7 which sets out a detailed explanation on judgements made by the directors in this regard.

The directors continue to adopt the going concern basis in preparing the financial statements.

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 2022, the group maintained its 100% waste management recycle percentage, reducing its impact on the environment by handling 184 tonnes of waste and saving over £18,000 in 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 19th December 2023 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 (the 'company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102. The Financial Reporting Standard in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 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.

Material uncertainty related to going concern

We draw attention to note 2 of the financial statements, which explains the ongoing legal matter involving the ultimate parent company and the resulting impact on its current ability to remit funds to its overseas subsidiaries, including this company. Until such time as the legal matter is concluded satisfactorily, thereby enabling the ultimate parent company to freely remit funds to its overseas subsidiaries, including this company, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in this respect.

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 contained within the annual report. 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. 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 course of our audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 our 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, 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 either 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team and relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the company's documentation of their policies procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Councils website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

Miss Helen Louise Clayton BSc FCA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP
Statutory Auditors
19th December 2023
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2023

	Note	2023 £ Operations excluding trading of tangible/ intangible fixed assets	2023 £ Trading of tangible/ intangible fixed assets	2023 £ Total	2022 £ Total
TURNOVER	4	**20,986,668**	**-**	**20,986,668**	16,649,527
Other operating income		-	-	-	252,572
Operating expenses - non exceptional		**38,476,717**	**3,419,469**	**41,896,186**	38,379,606
OPERATING LOSS	5	**(17,490,049)**	**(3,419,469)**	**(20,909,518)**	(21,477,507)
Profit on disposal of intangible fixed assets	8	-	**349,388**	**349,388**	10,051,128
LOSS BEFORE INTEREST AND TAXATION		**(17,490,049)**	**(3,070,081)**	**(20,560,130)**	(11,426,379)
Interest payable	9			**(1,018,443)**	(575,509)
Interest receivable	9			**683,310**	761,361
LOSS BEFORE TAXATION				**(20,895,263)**	(11,240,527)
Taxation	10			-	-
LOSS FOR THE YEAR				**(20,895,263)**	(11,240,527)

The notes on pages 20 to 34 form an integral part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2023

	Note	2023	2023	2022	2022
		£	£	£	£
FIXED ASSETS					
Intangible fixed assets	11		4,275,816		2,865,285
Tangible fixed assets	12		23,503,167		24,089,201
Investments	13		100		100
			27,779,083		26,954,586
CURRENT ASSETS					
Stock	14	332,610		510,036	
Debtors - amounts falling due within one year	15	7,423,841		23,105,210	
- amounts falling due after one year	16	-		-	
Cash at bank and in hand	17	25,900		608,665	
		7,782,351		24,223,911	
CREDITORS:					
- amounts falling due within one year	18	154,283,153		169,094,307	
NET CURRENT LIABILITIES			(146,500,802)		(144,870,396)
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES			(118,721,719)		(117,915,810)
CREDITORS:					
- amounts falling due after one year	19		2,004,533		3,595,298
DEFERRED GRANTS	22		738,558		714,439
NET LIABILITIES			(121,464,810)		(122,225,547)
CAPITAL AND RESERVES					
Called up share capital	23		198,227,484		176,571,484
Revaluation reserve	24		1,295,825		1,295,825
Profit and loss account	24		(320,988,119)		(300,092,856)
SHAREHOLDERS' DEFICIT			(121,464,810)		(122,225,547)

The financial statements were approved by the board on 19th-December 2023 and signed on its behalf by:

M Cheston, Director

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

The notes on pages 20 to 34 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2023

	Note	Share capital	Revaluation reserve	Retained earnings	Total equity
		£	£	£	£
At 1 July 2022		**176,571,484**	**1,295,825**	**(300,092,856)**	**(122,225,547)**
Comprehensive loss for the year					
Loss for the year		-	-	**(20,895,263)**	**(20,895,263)**
Issue of share capital	**23**	21,656,000	-	-	**21,656,000**
At 30 June 2023		**198,227,484**	**1,295,825**	**(320,988,119)**	**(121,464,810)**

	Note	Share capital	Revaluation reserve	Retained earnings	Total equity
		£	£	£	£
At 1 July 2021		176,571,484	1,295,825	(288,852,329)	(110,985,020)
Comprehensive loss for the year					
Loss for the year		-	-	(11,240,527)	(11,240,527)
Issue of share capital	**23**		-	-	-
At 30 June 2022		176,571,484	1,295,825	(300,092,856)	(122,225,547)

The notes on pages 20 to 34 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2023

	2023	2022
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	**(20,895,263)**	(11,240,527)
Adjustments for:		
Amortisation of intangible fixed assets	**3,419,469**	4,041,251
Profit on sale of intangible fixed assets	**(349,388)**	(10,051,128)
Depreciation of tangible fixed assets	**1,133,016**	1,173,332
Loss / (Profit) on sale of tangible fixed assets	**137,835**	(6,920)
Release of deferred grants	**(96,660)**	(96,660)
Interest received	**(683,310)**	(761,361)
Interest paid	**1,018,443**	575,509
Decrease/ (Increase) in stock	**177,426**	(440,469)
Decrease in amounts owed by group undertaking	**9,848,822**	1,909,272
Decrease / (Increase) in debtors	**614,932**	(178,154)
Increase in creditors	**3,392,132**	566,113
Net cash outflow from operations	**(2,282,546)**	(14,509,742)
Net Interest (paid) / received	**(335,133)**	185,852
Net cash outflow from operating activities	**(2,617,679)**	(14,323,890)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire intangible fixed assets	**(3,472,433)**	(2,199,703)
Payments to acquire tangible fixed assets	**(474,778)**	(185,546)
Grant received	**120,779**	-
Receipts from disposal of intangible fixed assets	**5,567,003**	6,097,159
Receipts from disposal of tangible fixed assets	**5,558**	6,920
Net cash inflow from investing activities	**1,746,129**	3,718,830
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in amounts owed to group undertakings	**266,542**	14,272,555
Increase in other loans	**200,000**	1,041,250
Repayment of other loans and hire purchase creditor	**(3,068,923)**	(3,061,327)
Net cash inflow from financing activities	**(2,602,381)**	12,252,478
Increase in cash and cash equivalents	**(3,473,931)**	1,647,418
MOVEMENT IN CASH AND CASH EQUIVALENTS IN THE YEAR		
(Decrease) / Increase in cash and cash equivalents	**(3,473,931)**	1,647,418
At 1 July 2022	**(11,492,539)**	(13,139,957)
At 30 June 2023	**(14,966,470)**	(11,492,539)

The notes on pages 20 to 34 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

As at 30 June 2023, the company had net current liabilities of £146,500,802 and reported an operating loss, before changes in intangible fixed assets, of £17,490,049 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.

As part of the directors' assessment of going concern they have prepared detailed cash flow forecasts for the period to the end of June 2024 and outline forecasts for a further 3 years beyond that. 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 Private Limited ("VHPL"), 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 12 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

Going concern (continued)

Further, the ultimate parent company, Venkateshwara Hatcheries Private Limited, has confirmed that it will not recall the amount outstanding of £123,052,900, included in creditors due in less than one year, within twelve months from the date of approval of these financial statements.

The directors would like to bring to the attention of readers of these financial statements, of an ongoing legal matter involving the ultimate parent company, Venkateshwara Holdings Private Limited and the Directorate of Enforcement ("ED") in India, whereby the ED have queried the application of funds by one of its subsidiaries, based in the UK, of funds remitted to them by VHPL. It is important to note that this does not include remittances made to The Blackburn Rovers Football & Athletic Limited ("BRFC").

The matter has resulted in the temporary suspension by the ED of remittance of funds to all the overseas subsidiaries of VHPL, including BRFC through its intermediate holding company, Venky's London Limited ("VLL"), by VHPL.

It should be noted that approval for interim remittances to support the operational funding requirements of BRFC has been granted on two previous occasions, following successful petitions made by VHPL, namely on 23 June 2023 for £3,540,000 and 31 October 2023 for £11,000,000. These successful petitions have continued to allow the company to meet its statutory liabilities as they fall due. The directors believe therefore that these previous two successful petitions have established a precedent for future funding requests being granted.

A further request will be made by VHPL in January 2024, to enable the club to meet future liabilities, up and until 30 June 2024.

Further, the directors note, as per a Court Order issued by the High Court of Delhi at New Delhi dated 31 October 2023, there have been no adverse findings specifically in relation to BRFC, and BRFC is not under any investigation by the ED. BRFC has met and continues to meet its liabilities, including salaries, Pay As You Earn, National Insurance and Value Added Tax, all on a timely basis.

The directors have maintained liquidity through a combination of strong cashflow management and utilisation of player sale proceeds, primarily in the transfer window of August 2023. Furthermore, BRFC has remained compliant with all relevant statutory and football authority regulations (including Profit and Sustainability regulations) in the period under review.

As noted above, precedent for funding requests being granted has been set. In addition, the directors of BRFC have received confirmation from VHPL that it has sufficient funds and is willing to provide additional financing as may be required to continue to fund BRFC to the extent necessary for the company to continue to trade and to pay its liabilities as and when they become due, for at least twelve months from the date of signing these financial statements and thereafter for the foreseeable future.

A material uncertainty exists therefore due to the ability to remit sufficient funds to BRFC by VHPL not being in the control, at the time of the approval of these financial statements, of VHPL. If the court does not permit the release of future funds, there will be a significant impact on the company's ability to continue to trade.

However, on the basis of the precedent set by two previous petitions made by VHPL in India, the directors believe any future requests will be successful. They, therefore, maintain that the going concern basis of preparation of these financial statements remains appropriate.

2 ACCOUNTING POLICIES - continued

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 31 August 2020. 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 a 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:

	2023	2022
	£	£
Matchday	5,045,374	3,353,477
Media	9,697,500	8,419,000
Commercial	6,141,669	4,796,738
Other	102,125	80,312
	20,986,668	16,649,527

5 OPERATING LOSS

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

		2023	2022
		£	£
Amortisation of intangible fixed assets		3,419,469	4,041,251
Depreciation of tangible fixed assets:	owned by the company	1,057,872	1,087,288
	under hire purchase	75,144	86,044
Profit on disposal of tangible fixed assets		137,835	(6,920)
Auditors' remuneration:	audit work	34,000	38,350
	non audit work	8,625	6,974
Operating lease payments		382,967	374,391
Furlough income		-	(32,563)
Insurance claim receivable		-	(220,009)
Deferred grants release		(96,660)	(96,660)

6 STAFF COSTS

	2023	2022
	£	£
Wages and salaries	22,499,023	21,368,017
Social security costs	3,096,097	2,870,586
Other pension costs	199,086	117,606
	25,794,206	24,356,209

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

	2023	2022
	No.	No.
Senior football players and management	79	75
Academy football players and management	67	64
Commercial, sponsorship, media and merchandising	22	19
Administration	21	22
Building, ground and pitch maintenance	32	29
	221	209

7 DIRECTORS' REMUNERATION

Emoluments for services as directors:

	No. of directors	Salaries	Pension	Benefits	Total
		£	£	£	£
Executive directors:					
2023	**3**	**473,266**	**21,001**	**61,655**	**555,922**
2022	3	468,266	10,321	12,446	491,033

During the year 2 (2022 - 2) directors were members of a money purchase pension scheme.

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

	2023	2022
	£	£
Remuneration for qualifying services	**308,888**	271,413
Company pension contributions	**12,001**	1,321

8 TRANSFER FEES AND ASSOCIATED COSTS

	2023	2022
	£	£
Amortisation of intangible fixed assets	**(3,419,469)**	(4,041,251)
Profit on disposal of intangible fixed assets	**349,388**	10,051,128
	(3,070,081)	6,009,877

9 NET INTEREST PAYABLE

	2023	2022
	£	£
Interest receivable		
Short term deposits and other interest	**683,310**	761,361
Interest payable		
On bank overdrafts and other loans	**(1,003,119)**	(560,948)
Hire purchase interest	**(15,324)**	(14,561)
	(1,018,443)	(575,509)
Net interest payable	**(335,133)**	185,852

10 TAXATION

	2023	2022
	£	£
The tax credit comprises:		
UK corporation tax		
Adjustment in respect of prior year	-	-
Tax on loss on ordinary activities	-	-

The actual tax charge for the current year differs from the standard rate of 19% (2022 - 19%) for the reasons set out in the following reconciliation:

	2023	2022
Loss on ordinary activities before tax	**(20,895,263)**	(11,240,527)
Tax on loss on ordinary activities at 19% (2022 - 19%)	**(4,282,670)**	(2,135,700)
Effects of :		
Expenses not deductible for corporation tax purposes	**3,509**	9,301
Non-taxable income	**(19,811)**	(18,365)
Adjustment in respect of prior years		-
Chargeable gain indexation		-
Deferred tax not recognised	**4,298,031**	2,144,764
Other permanent difference	**941**	-
Total amount of tax	-	-

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 25% (2022 - 25%) is £75m (2022 - £70m). The standard rate of corporation tax in the UK will change to 25% for periods commencing 1st April 2023.

11 INTANGIBLE FIXED ASSETS

		Player registrations
		£
Cost	At 1 July 2022	**15,032,513**
	Additions	**4,830,000**
	Disposals	**(7,087,500)**
	At 30 June 2023	**12,775,013**
Amortisation	At 1 July 2022	**12,167,228**
	Charge for the year	**3,419,469**
	On disposals	**(7,087,500)**
	At 30 June 2023	**8,499,197**
Net book value	**At 30 June 2023**	**4,275,816**
	At 1 July 2022	2,865,285

12 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 July 2022	39,372,993	9,868,829	329,734	49,571,556
Additions	29,032	661,343	-	690,375
Disposals	-	(267,441)	(50,777)	(318,218)
At 30 June 2023	39,402,025	10,262,731	278,957	49,943,713
At cost	4,327,025	10,262,731	278,957	14,868,713
At valuation - 1995	35,075,000	-	-	35,075,000
	39,402,025	10,262,731	278,957	49,943,713
Depreciation				
At 1 July 2022	16,705,010	8,560,667	216,678	25,482,355
Charge for the year	746,737	347,201	39,078	1,133,016
On disposals	-	(124,048)	(50,777)	(174,825)
At 30 June 2023	17,451,747	8,783,820	204,979	26,440,546
Net book value				
At 30 June 2023	21,950,278	1,478,911	73,978	23,503,167
At 1 July 2022	22,667,983	1,308,162	113,056	24,089,201

The net book value of assets held under hire purchase contracts is £304,388 (2022 - £337,015), depreciation for the year on assets held under hire purchase contracts was £75,144 (2022 - £86,044). Included within freehold land and buildings is land at a value of £2,645,000 which has not been depreciated.

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

	2023	2022
	£	£
Deemed historical cost of revalued assets	34,099,059	34,099,059
Cumulative depreciation based on deemed historical cost	(16,301,898)	(15,642,744)
Deemed historical cost net book value	17,797,161	18,456,315

13 FIXED ASSET INVESTMENT

	Shares in Group Undertakings
	£
Cost	100
At 30 June 2023	100

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

14 STOCK

	2023	2022
	£	£
Goods held for resale	332,610	510,036

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 £684,674 (2022 - £600,436).

15 DEBTORS - amounts falling due within one year

	2023	2022
	£	£
Trade debtors	423,145	400,557
Football related debtors	74,577	5,292,192
Amounts owed by group undertaking	6,343,682	16,192,504
Other debtors	32,381	52,678
Social security and other taxes	-	9,352
Prepayments and accrued income	550,056	1,157,927
	7,423,841	23,105,210

See note 29 for details of repayment terms attaching to amounts owed by group undertaking.

16 DEBTORS - amounts falling due after more than one year

	2023	2022
	£	£
Amounts owed by group undertaking	-	-
Football related debtors	-	-
	-	-

See note 29 for details of repayment terms attaching to amounts owed by group undertaking.

17 CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank and in hand	25,900	608,665
Bank overdraft	(14,992,370)	(12,101,204)
	(14,966,470)	(11,492,539)

18 CREDITORS - amounts falling due within one year

	2023	2022
	£	£
Bank overdraft	14,992,370	12,101,204
Amounts owed to parent undertaking	123,052,900	144,442,358
EFL Loan	2,971,468	2,971,266
Other Loans	200,000	-
Trade creditors	3,057,484	2,023,706
Football related creditors	2,521,356	2,688,789
Social security and other taxes	1,597,172	1,698,990
Other creditors	361,024	235,864
Pension deficit	136,606	130,096
Hire purchase creditors	92,214	79,840
Accruals and deferred income	5,300,559	2,722,194
	154,283,153	169,094,307

The amounts due to the parent company of £123,052,900 (2022 - £144,442,358) 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 10 May 2024. The directors believe the facility will be renewed on acceptable terms and conditions.

Please refer to the strategic report for more detail on the directors' assessment of going concern.

The bank overdraft is secured by a corporate guarantee from the holding company, Venkys London Limited. Interest is paid upon the facility at 2.0% over BOE base rate.

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

19 CREDITORS - amounts falling due after more than one year

	2023	2022
	£	£
Pension deficit	147,733	284,339
Other Loans	-	2,971,468
Hire purchase creditors	206,800	214,491
Football related creditors	1,650,000	125,000
	2,004,533	3,595,298

EFL loans are interest free advances secured against future distributions from the EFL, which is disclosed within creditors - amounts falling due within one year. There are two loans.
The first loan of £194,800 is repayable in 2 equal half yearly instalments from October 2023.
The second loan of £2,776,668 is repayable in 2 equal half yearly instalments from August 2023.

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

20 FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets measured at fair value through profit or loss	25,900	608,665
Financial assets that are debt instruments measured at amortised cost	6,873,785	21,937,931
	6,899,685	22,546,596
Financial liabilities measured at amortised cost	151,371,313	167,735,010

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:

	2023	2022
	£	£
Within 1 year	92,214	79,840
Between 1 and 2 years	79,539	67,211
Between 2 and 5 years	127,261	147,280
	299,014	294,331

22 DEFERRED GRANTS

	2023	2022
	£	£
Outstanding at beginning of year	714,439	811,099
Grant received	120,779	-
Released to profit and loss account in the year	96,660	96,660
Outstanding at end of year	738,558	714,439
Amount to be released within one year	108,738	96,660

23 CALLED UP SHARE CAPITAL

	2023	2022
	£	£
Allotted, called up - fully paid		
198,227,484 ordinary shares of £1 each	198,227,484	176,571,484

21,656,000 ordinary £1 shares were issued at par during the year on conversion of part of the amount due to parent undertaking.

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 £320,988,119 (2022 - £300,092,856)

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 (2022 - £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 £199,086 (2022 - £117,606), of which £32,108 (2022 - £22,971) 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 was 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 2020. The increase in the deficit in the year, which has been charged as an expense, amounted to £NIL (2022 - £NIL). The company's share of this deficit is currently estimated to be £284,339 (2022 - £414,435). 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 £5.9m (2022 - £5.3m).

27 CAPITAL COMMITMENTS

At 30 June 2023 the company had capital commitments as follows:

	2023	2022
	£	£
Contracted for but not provided in these accounts net of grants receivable	**120,842**	129,233

28 OTHER COMMITMENTS

At 30 June 2023 the company had future minimum lease payments under non cancellable operating leases as follows:

	2023	2022
	£	£
Within 1 year	378,009	357,927
Between 1 and 5 years	36,807	32,597

29 RELATED PARTY TRANSACTIONS

During the year the company entered into the following transactions with related parties:

The company received rent and other income of £258,548 (2022 - £217,999) 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 £21,918 was owed by the Trust to the company (2022 - £885) in respect of these transactions, and is disclosed within other creditors / debtors. At 30 June 2023 Blackburn Rovers Community Trust had seven trustees, of which two were directors of The Blackburn Rovers Football and Athletic Limited.

In June 2021 the company sold the Senior training ground and related property for £17,300,000 to Venkateshwara London Limited, a subsidiary of the ultimate parent company, Venkateshwara Hatcheries Pvt. Ltd. The proceeds carry interest at 4% above the State Bank of India base rate and interest arising on the loan in the period was £683,259 (2022 - £761,247). The company has entered into a lease to continue to use the Senior training ground and rent of £356,004 arose for the period to 30 June 2023 (2022 - £356,004). The loan was repaid in full on 25th October 2023.

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 receivable of £3.4m (2022 - £4.4m receivable).