

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
STRATEGIC REPORT
YEAR ENDED 30 JUNE 2017

Registration Number: 00054222

The directors present their strategic report for the year ended 30 June 2017.

Fair review of the business

The principal activity of the company in the year is the operation of a professional football club.

In the year revenue was £121.17 million compared to £40.01 million for the season 2015/16. The net profit after tax was £22.13 million compared to a net loss after tax of £3.99 million from the Championship title winning season.

The balance sheet now shows net assets of £34.66 million compared to net assets of £12.53 million in the season 2015/16.

The club is continuing to invest in improving facilities for players and staff.

The beginning of 2018 will see the implementation of plans to develop Turf Moor and provide better facilities for disabled supporters under the Accessible Stadium Guide.


Principal risks and uncertainties

The company faces a number of risks and uncertainties and has measures in place to mitigate the impact of these risks.

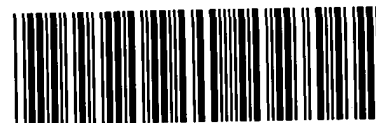
The principal risk to the company is the possibility of the football club's relegation from the Premier League and the associated reduction in turnover this would bring. This risk is managed by incorporating clauses into player contracts which would lead to a significant reduction in player salaries in the event of relegation.

The club's finishing position in the Premier League also has a material impact on the club's turnover and operating costs, and the directors' make prudent budget assumptions regarding the club's league position to manage this risk.

Approved by the Board on 2 February 2018
and signed on its behalf by:


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B C Kilby
Director

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THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors of the company

The directors who held office during the year were as follows:

M L Garlick - Chairman

B C Kilby

J W Banaszkiewicz

C J Holt

B T Nelson

T A D Crabb

B Flood

Principal activity

The principal activity of the company continues to be that of the operation of a professional football club.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Post balance sheet events

Following the year end the club acquired the player registrations of Charlie Taylor, Jonathan Walters, Jack Cork, Phil Bardsley, Adam Legzdins, Chris Wood and Aaron Lennon on permanent playing contracts. Various existing players have had their contracts renewed or extended.

The player registrations of Rouwen Hennings, George Boyd, Michael Keane, Michael Kightly, Tendayi Darikwa and Andre Gray have been disposed of after the year end.

Auditors

Cassons business advisers LLP having merged its practice with Baldwins Holdings Limited has transferred its audit services into a separate entity trading as Cassons Audit Services. Cassons Audit Services has been appointed as auditor to the company.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

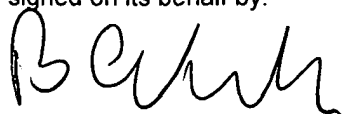
DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2017

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on *2 February 2018*
and signed on its behalf by:



.....
B C Kilby
Director

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 JUNE 2017

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 30 JUNE 2017

Opinion

We have audited the financial statements of The Burnley Football & Athletic Company Limited (the 'company') for the year ended 30 June 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 a 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.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 30 JUNE 2017

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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 of 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 related 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 and 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 30 JUNE 2017

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Carlton Cooper (Senior Statutory Auditor)
For and on behalf of

Cassons Audit Services, Statutory Auditor
St Crispin House
St Crispin Way
Haslingden
Rossendale
Lancashire
BB4 4PW

Date: 2 February 2018

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2017

	Note	2017 £ 000	2016 £ 000
Turnover	3	121,169	40,007
Other operating income		593	940
Staff costs (excluding exceptional promotion costs)		(61,198)	(27,100)
Depreciation and amortisation of player registrations (excluding exceptional promotion costs)		(23,439)	(9,249)
Other operating charges		(11,343)	(8,420)
Exceptional promotion costs	6	-	(13,184)
Operating profit/(loss)	4	25,782	(17,006)
Profit on sale of fixed assets	10	1,346	11,936
Interest receivable and similar income	5	51	82
Interest payable and similar charges	7	(45)	(55)
Profit/(loss) before tax		27,134	(5,043)
Taxation	12	(5,000)	1,050
Profit/(loss) for the year		<u>22,134</u>	<u>(3,993)</u>

The results above derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

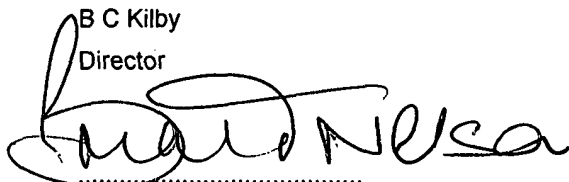
THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
BALANCE SHEET
30 JUNE 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Intangible assets	13	39,012	19,002
Tangible assets	14	5,540	4,997
		<u>44,552</u>	<u>23,999</u>
Current assets			
Stocks		629	351
Debtors	15	10,864	18,215
Cash at bank and in hand		20,141	6,266
		<u>31,634</u>	<u>24,832</u>
Creditors: Amounts falling due within one year	16	<u>(41,162)</u>	<u>(33,784)</u>
Net current liabilities		<u>(9,528)</u>	<u>(8,952)</u>
Total assets less current liabilities		35,024	15,047
Creditors: Amounts falling due after more than one year	16	(113)	(2,520)
Provisions for liabilities	17	<u>(250)</u>	<u>-</u>
Net assets		<u>34,661</u>	<u>12,527</u>
Capital and reserves			
Called up share capital	19	77	77
Share premium account		11,219	11,219
Profit and loss account		23,365	1,231
Total equity		<u>34,661</u>	<u>12,527</u>

Approved and authorised by the Board on 2 February 2018
and signed on its behalf by:



B C Kilby
Director



B T Nelson
Director

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2017

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 July 2016	77	11,219	1,231	12,527
Profit for the year	-	-	22,134	22,134
At 30 June 2017	<u>77</u>	<u>11,219</u>	<u>23,365</u>	<u>34,661</u>

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 July 2015	77	11,219	5,224	16,520
Loss for the year	-	-	(3,993)	(3,993)
At 30 June 2016	<u>77</u>	<u>11,219</u>	<u>1,231</u>	<u>12,527</u>

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

1 General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Turf Moor
Harry Potts Way
Burnley
Lancashire
BB10 4BX

These financial statements were authorised for issue by the Board on 2 February 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Summary of disclosure exemptions

The company has taken advantage of all applicable exemptions available under FRS102 paragraph 1.12 and as such has not prepared a cash flow statement.

Related parties

The company has taken advantage of the exemption contained in FRS 102 paragraph 33.1A and has therefore not disclosed transactions with entities which form part of the group.

Name of parent of group

These financial statements are consolidated in the financial statements of Burnley FC Holdings Limited.

The financial statements of Burnley FC Holdings Limited may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Judgements and estimations of uncertainty

The preparation of financial statements requires management to make significant judgements, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The main area of judgement that has the most significant effect on the amounts recognised in the financial statements is in regard to any provision for impairment of player registrations.

Provision for impairment is made when it becomes clear that any diminution in the value is permanent. In certain circumstances there may be an individual player whom the company does not consider to be part of the first team squad going forward and whom the directors have decided is unlikely to play for the first team for a significant part of the remaining duration of the player's contract. In such situations the carrying value of the player will be assessed for impairment and considered against the best estimate of his fair value less costs to sell.

Turnover

Turnover represents income from television rights, gate receipts, catering, club shop sales and other commercial activities.

Foreign currency transactions and balances

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Player registrations and signing on fees

Transfer fees and amounts paid to third parties for player registrations are capitalised as intangible assets and are amortised on a straight line basis over the period of the respective players' contracts. Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when the event occurs.

These intangible assets are assessed on an annual basis and impairment losses arising are charged to the profit and loss account in the period in which they arise. Player signing-on fees are expensed to the profit and loss account on a straight line basis over the period of the respective players' contracts except in the circumstances of a player disposal. In that case, any remaining signing-on fees due are allocated in full against profit on disposal of players' registrations.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

Impairment of fixed assets

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 fixed assets may not be recoverable.

Depreciation

Depreciation is charged so as to write off the cost of tangible assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	2% to 10% straight line per annum
Plant and machinery	12.5% to 25% straight line per annum
Fixtures and fittings	2% to 10% straight line per annum

Trade debtors

Trade debtors are amounts due from customers for the sale of players, merchandise sold or services performed in the ordinary course of business.

Stocks

Stock of goods held for resale are valued at the lower of cost and net realisable value.

Trade creditors

Trade creditors are obligations to pay for transfer fees and goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at cost less any repayments made in the period.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases and hire purchase contracts are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease and hire purchase obligation.

Lease and hire purchase payments are apportioned between finance costs in the profit and loss account and reduction of the lease and hire purchase obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 2017**

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2017	2016
	£ 000	£ 000
Match income	5,844	4,981
Television rights	104,964	29,606
Catering sales	2,414	1,588
Other commercial activities	6,286	2,726
Retail sales	1,661	1,106
	<u>121,169</u>	<u>40,007</u>

4 Operating profit/(loss)

Arrived at after charging

	2017	2016
	£ 000	£ 000
Operating lease expense - plant and machinery	239	33
Operating lease expense - land and buildings	479	471
Depreciation of owned assets	1,002	721
Depreciation of assets held under finance lease and hire purchase contracts	87	151
Amortisation of player registrations	<u>22,350</u>	<u>10,246</u>

5 Interest receivable and similar income

	2017	2016
	£ 000	£ 000
Interest income on bank deposits	<u>51</u>	<u>82</u>

6 Exceptional promotion costs

In the prior year, following promotion of the football club to the Premier League the club was committed to pay promotion costs, including additional payroll costs arising on promotion, amounting to £13,184,000.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

7 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Other interest payable	6	6
Interest on obligations under finance leases and hire purchase contracts	39	49
	<u>45</u>	<u>55</u>

8 Staff costs

The aggregate payroll costs were as follows:

	2017 £ 000	2016 £ 000
Wages and salaries	55,468	34,391
Social security costs	5,627	3,949
Pension costs, defined contribution scheme	103	75
Less: exceptional promotion costs (note 6)	-	(11,315)
	<u>61,198</u>	<u>27,100</u>

The average number of persons employed by the company during the year, analysed by category was as follows:

	2017 No.	2016 No.
Players, managerial and training staff	120	118
Sales, administration and ancillary staff - full time	49	44
Sales, administration and ancillary staff - part time	19	23
	<u>188</u>	<u>185</u>

In addition to the above, the company employed an average of 223 (2016 - 213) match-day staff during the year.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

9 Directors' remuneration

None of the directors received remuneration from the company during the year (2016 - £nil).

10 Profit on sale of fixed assets

The analysis of the company's profit on sale of fixed assets for the year is as follows:

	2017 £ 000	2016 £ 000
Profit on sale of intangible fixed assets	1,347	11,936
Loss on sale of tangible fixed assets	(1)	-
	<u>1,346</u>	<u>11,936</u>

11 Auditors' remuneration

	2017 £ 000	2016 £ 000
Audit of the financial statements	<u>24</u>	<u>20</u>
Other fees to auditors		
Audit-related assurance services	10	10
Taxation compliance services	16	8
All other non-audit services	<u>26</u>	<u>-</u>
	<u>52</u>	<u>18</u>

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

12 Taxation

Tax charged in the profit and loss account

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	4,750	(627)
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(73)</u>
	4,750	(700)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>250</u>	<u>(350)</u>
Tax expense/(receipt) in the profit and loss account	<u><u>5,000</u></u>	<u><u>(1,050)</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.75% (2016 - 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit/(loss) before tax	<u>27,134</u>	<u>(5,043)</u>
Corporation tax at standard rate	5,359	(1,008)
Difference between depreciation and capital allowances	23	60
Non taxable income	(198)	(127)
Expenses not deductible for tax purposes	12	8
Utilisation of tax losses brought forward	(446)	-
Changes in tax rates on losses utilisation	-	(22)
Tax decrease from adjustment for prior periods	-	(73)
Tax increase from effect of unrelieved tax losses carried forward	-	462
Deferred tax expense/(utilisation) arising from accelerated capital allowances	<u>250</u>	<u>(350)</u>
Total tax charge/(credit)	<u><u>5,000</u></u>	<u><u>(1,050)</u></u>

Factors that may affect future tax charges

Estimated tax losses available for offset against future trading profits amount to £nil (2016 - £2.3 million).

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Deferred tax

Deferred tax liabilities

	Liability £ 000
2017	
Difference between accumulated depreciation and capital allowances	<u>250</u>

In 2016, the company had a deferred tax asset of £192,000 which was not recognised in the balance sheet. The deferred tax asset arose from unused tax losses in excess of accelerated capital allowances.

13 Intangible assets

	Player registrations £ 000	Total £ 000
Cost		
At 1 July 2016	35,121	35,121
Additions	42,813	42,813
Disposals	<u>(3,064)</u>	<u>(3,064)</u>
At 30 June 2017	<u>74,870</u>	<u>74,870</u>
Amortisation		
At 1 July 2016	16,119	16,119
Amortisation charge	22,350	22,350
Amortisation eliminated on disposals	<u>(2,611)</u>	<u>(2,611)</u>
At 30 June 2017	<u>35,858</u>	<u>35,858</u>
Carrying amount		
At 30 June 2017	<u>39,012</u>	<u>39,012</u>
At 30 June 2016	<u>19,002</u>	<u>19,002</u>

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
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14 Tangible assets

	Leasehold improvements £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Total £ 000
Cost or valuation				
At 1 July 2016	5,848	1,940	2,301	10,089
Additions	891	668	82	1,641
Disposals	-	(10)	-	(10)
At 30 June 2017	<u>6,739</u>	<u>2,598</u>	<u>2,383</u>	<u>11,720</u>
Depreciation				
At 1 July 2016	2,480	1,339	1,273	5,092
Charge for the year	706	193	190	1,089
Eliminated on disposal	-	(1)	-	(1)
At 30 June 2017	<u>3,186</u>	<u>1,531</u>	<u>1,463</u>	<u>6,180</u>
Carrying amount				
At 30 June 2017	<u>3,553</u>	<u>1,067</u>	<u>920</u>	<u>5,540</u>
At 30 June 2016	<u>3,368</u>	<u>601</u>	<u>1,028</u>	<u>4,997</u>

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £ 000	2016 £ 000
Leasehold improvements	135	206
Plant and machinery	68	57
Fixtures and fittings	-	290
	<u>203</u>	<u>553</u>

Fully depreciated assets

At 30 June 2017, the company was still using assets with an original cost of £2,101,000 (2016 - £1,970,000) which were fully depreciated.

Included in the cost of leasehold improvements are total cumulative finance costs capitalised of £14,000 (2016 - £14,000).

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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15 Debtors

	2017 £ 000	2016 £ 000
Trade debtors	1,814	8,456
Amounts owed by group undertakings	7,401	7,553
Other debtors	-	417
Prepayments	1,649	1,162
Corporation tax debtor	-	627
Total trade and other debtors	10,864	18,215

Details of non-current trade and other debtors

£nil (2016 - £1,000,000) of trade debtors is classified as non current.

Included within trade debtors is £1,709,000 (2016 - £8,340,000) relating to amounts due from other football clubs.

16 Creditors

	Note	2017 £ 000	2016 £ 000
Due within one year			
Obligations under finance lease and hire purchase contracts	20	95	225
Trade creditors		15,350	12,577
Amounts owed to group undertakings		518	4,720
Social security and other taxes		3,657	1,651
Outstanding defined contribution pension costs		12	4
Other creditors		1	7
Accruals and deferred income		18,906	14,600
Corporation tax liability		2,623	-
		41,162	33,784
Due after one year			
Obligations under finance lease and hire purchase contracts	20	113	172
Trade creditors		-	2,348
		113	2,520

Included within trade creditors is £14,255,000 (2016 - £13,108,000), of which £nil (2016 - £2,083,000) falls due after more than one year, which relate to amounts due to other football clubs.

Included within accruals and deferred income is £1,500,000 (2016 - £250,000) which relate to amounts due to other football clubs.

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NOTES TO THE FINANCIAL STATEMENTS
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17 Deferred tax and other provisions

	Deferred tax £ 000	Total £ 000
Charged to the profit and loss account	250	250
At 30 June 2017	250	250

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £102,597 (2016 - £74,652).

Contributions totalling £12,144 (2016 - £4,239) were payable to the scheme at the end of the year and are included in creditors.

19 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	77	77	77	77

20 Loans and borrowings

	2017 £ 000	2016 £ 000
Non-current loans and borrowings		
Obligations under finance lease and hire purchase contracts	113	172

	2017 £ 000	2016 £ 000
Current loans and borrowings		
Obligations under finance lease and hire purchase contracts	95	225

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21 Obligations under leases and hire purchase contracts

Finance leases

Obligations under finance lease and hire purchase contracts are secured against the related assets.

The total of future minimum lease payments is as follows:

	2017 £ 000	2016 £ 000
Not later than one year	95	225
Later than one year and not later than five years	113	172
	<u>208</u>	<u>397</u>

Operating leases

The total of future minimum payments in respect of non group lease contracts is as follows:

	2017 £ 000	2016 £ 000
Not later than one year	113	121
Later than one year and not later than five years	321	231
	<u>434</u>	<u>352</u>

The company is also party to long term lease agreements with Longside Properties Limited, a fellow subsidiary company, in respect of certain land and buildings. At 30 June 2017, the total future minimum lease payments under these agreements was £32,643,000 (2016 - £33,108,000), due in instalments over the next 87 years. Any future amendments to the terms of the lease agreements are at the discretion of the group's board.

22 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £600,000 (2016 - £Nil).

23 Contingent liabilities

Additional transfer fees of up to £7,080,000 (2016 - £3,945,000), that may become payable upon achievement of certain conditions contained within transfer contracts if the respective players are still in service of the club on specific future dates, are accounted for in the year in which those conditions are satisfied.

THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

24 Related party transactions

Transactions with directors

During the year, the Chairman via his shareholdings in associated companies, provided sponsorship to the company for the 2016/17 season to a value of £70,000 (2016 - £90,000), of which £nil (2016 - £nil) was outstanding at the year end.

During the year, certain directors purchased goods to the value of £8,000 (2016 - £6,000), of which £115 (2016 - £480) was outstanding at the year end.

Transactions with other related parties

During the year, the company entered into transactions with: Total Gaming Solutions Limited (a company in which Mr B C Kilby is a director), University College of Football Business (an entity in which Mr J Banaszkiwicz and Mr B Flood are directors) and Clarets in the Community Limited (an entity in which Mr B C Kilby and Mr B Nelson are directors).

During the year, the company purchased goods and services from these entities amounting to £156,000 (2016 - £85,000). At the balance sheet date the amount due to these entities was £2,000 (2016 - £7,000).

During the year, the company supplied goods and services to these entities amounting to £291,000 (2016 - £428,000). At the balance sheet date the amount due from these entities was £4,000 (2016 - £29,000).

During the year, the company made office space available to Clarets in the Community Limited with no rental charge.

25 Parent and ultimate parent undertaking

The company's immediate parent is Burnley FC Holdings Limited, a company incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Burnley FC Holdings Limited. These financial statements are available upon request from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ

The parent of the smallest and largest group in which these financial statements are consolidated is Burnley FC Holdings Limited, incorporated in England and Wales.

The address of Burnley FC Holdings Limited is:

Turf Moor, Harry Potts Way, Burnley, Lancashire, BB10 4BX.

There is no overall controlling party of Burnley FC Holdings Limited.

26 Non adjusting events after the financial period

Following the year end the club acquired the player registrations of Charlie Taylor, Jonathan Walters, Jack Cork, Phil Bardsley, Adam Legzdins, Chris Wood and Aaron Lennon on permanent playing contracts. Various existing players have had their contracts renewed or extended.

The player registrations of Rouwen Hennings, George Boyd, Michael Keane, Michael Kightly, Tendayi Darikwa and Andre Gray have been disposed of after the year end.