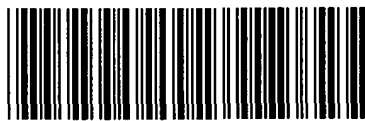


Company Registration No. 00054222 (England and Wales)

**THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## COMPANY INFORMATION

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**Directors**

Mr M L Garlick  
Mr B C Kilby  
Mr J W Banaszkiewicz  
Mr C J Holt  
Mr B T Nelson  
Mr T A D Crabb  
Mr B Flood

**Company number**

00054222

**Registered office**

Turf Moor  
Harry Potts Way  
Burnley  
Lancashire  
BB10 4BX

**Auditor**

Cassons Audit Services  
St Crispin House  
St Crispin Way  
Rossendale  
BB4 4PW

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# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

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# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2018**

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The directors present the strategic report for the year ended 30 June 2018.

### **Fair review of the business**

Sean and his coaching team performed magnificently throughout the season, inspiring our team to a 7th place Premier League finish and resulting in our first appearance in a European competition for over 50 years.

We can genuinely lay claim to being classed as 'the best of the rest' and in many ways we were the champions of the Premier League second tier - a remarkable achievement!

Financially, our turnover increased from £121m to £139m, largely because of our increased prize money for finishing 7th.

Profit after tax grew from £22m to £37m, the increase being largely the result of the sale of Michael Keane to Everton and Andre Gray to Watford. The profit on player sales is recognised in one year (player purchase costs are recognised over their contract - normally 3-4 years) whereas we only typically get paid for them over 3 years.

The club has continued to invest in new playing talent whilst trading players where we felt that they might be at, or close to, the peak of their value. As we hopefully continue to maintain our Premier League status going forward the above will form a key part of our strategy and in the main we will purchase players who improve the quality and competitiveness of our first team and are able to technically develop further and grow in value.

As always, we continue to keep a close eye on our cash flow position as, despite the above impressive figures, with poor cash management we could easily fall into a negative cash flow position.

Wages grew from £61m to £81m as a result of our determination to be more competitive in the market, coupled with increased bonuses for both players and coaching staff due to our 7th place finish. The Premier League 'wages league' is one we are certainly not bottom of anymore, but we believe our wage structure gives a high level of flexibility for all scenarios and a competitive edge for our players and management to continue to drive our great club forward.

The club is continuing to invest in improving facilities for players and staff. The implementation of plans to develop Turf Moor and provide better facilities for disabled supporters under the Accessible Stadium Guide should be completed by the end of 2018.

In closing, the board would like to thank all shareholders and fans for their fantastic support during the season - a season which we are sure we will all remember for a long time with great memories.

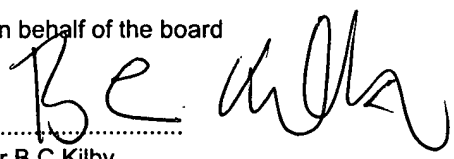
### **Principal risks and uncertainties**

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.

On behalf of the board

  
.....  
Mr B C Kilby

Director

10/12/18

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2018**

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The directors present their annual report and financial statements for the year ended 30 June 2018.

### Principal activities

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

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M L Garlick  
Mr B C Kilby  
Mr J W Banaszkiewicz  
Mr C J Holt  
Mr B T Nelson  
Mr T A D Crabb  
Mr B Flood

### Results

The results for the year are set out on page 7.

### 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 reporting date events

Following the year end the club acquired the player registrations of Joe Hart, Matej Vydra and Ben Gibson on permanent playing contracts. Various existing players have had their contracts renewed or extended.

The player registrations of Scott Arfield, Dean Marney, Chris Long and Tom Anderson have been disposed of after the year end.

### Reappointment of auditors

The auditors Cassons Audit Services are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

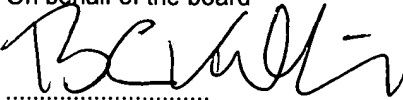
**FOR THE YEAR ENDED 30 JUNE 2018**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....  
Mr B C Kilby

Director

Date: .....10/12/18.....

# **THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2018***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- 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

### TO THE MEMBERS OF THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

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#### Opinion

We have audited the financial statements of The Burnley Football & Athletic Company Limited (the 'company') for the year ended 30 June 2018 which comprise the profit and loss account, the balance sheet, the 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 FRS 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 2018 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.

#### Opinions 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.



# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

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#### 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 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Carlton Cooper (Senior Statutory Auditor)**  
for and on behalf of Cassons Audit Services

11/12/18

**Statutory Auditor**

St Crispin House  
St Crispin Way  
Rossendale  
BB4 4PW

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 £'000	2017 £'000
<b>Turnover</b>	<b>3</b>	138,997	121,169
Other operating income		1,174	593
Staff costs	<b>6</b>	(81,616)	(61,198)
Depreciation and amortisation of player registrations	<b>4</b>	(28,957)	(23,439)
Other operating expenses		(14,715)	(11,343)
<b>Operating profit</b>	<b>4</b>	14,883	25,782
Interest receivable and similar income	<b>8</b>	34	51
Interest payable and similar expenses	<b>9</b>	(17)	(45)
Profit on sale of fixed assets		30,716	1,346
<b>Profit before taxation</b>		45,616	27,134
Tax on profit	<b>10</b>	(8,500)	(5,000)
<b>Profit for the financial year</b>		37,116	22,134

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

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

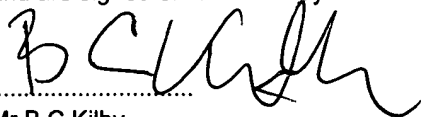
# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

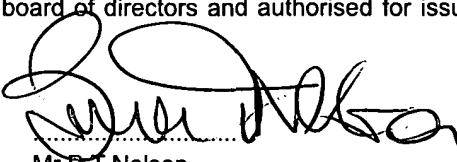
## BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	11	49,181	39,012
Tangible assets	12	5,434	5,540
		<u>54,615</u>	<u>44,552</u>
<b>Current assets</b>			
Stocks		591	629
Debtors	13	44,459	10,864
Cash at bank and in hand		34,412	20,141
		<u>79,462</u>	<u>31,634</u>
<b>Creditors: amounts falling due within one year</b>	14	(51,800)	(41,162)
<b>Net current assets/(liabilities)</b>		<u>27,662</u>	<u>(9,528)</u>
<b>Total assets less current liabilities</b>		<u>82,277</u>	<u>35,024</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(10,250)	(113)
<b>Provisions for liabilities</b>	17	(250)	(250)
<b>Net assets</b>		<u><u>71,777</u></u>	<u><u>34,661</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	77	77
Share premium account		11,219	11,219
Profit and loss reserves		60,481	23,365
<b>Total equity</b>		<u><u>71,777</u></u>	<u><u>34,661</u></u>

The financial statements were approved by the board of directors and authorised for issue on 10/12/18 and are signed on its behalf by:

  
 Mr B C Kilby  
 Director

  
 Mr B T Nelson  
 Director

Company Registration No. 00054222

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 July 2016</b>	77	11,219	1,231	12,527
<b>Year ended 30 June 2017:</b>				
Profit for the year	-	-	22,134	22,134
<b>Balance at 30 June 2017</b>	77	11,219	23,365	34,661
<b>Year ended 30 June 2018:</b>				
Profit for the year	-	-	37,116	37,116
<b>Balance at 30 June 2018</b>	77	11,219	60,481	71,777

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

---

### 1 Accounting policies

#### Company information

The Burnley Football & Athletic Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Turf Moor, Harry Potts Way, Burnley, Lancashire, BB10 4BX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of 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 £'000.

The financial statements have been prepared under the historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of all applicable exemptions available under FRS 102 paragraph 1.12.

The financial statements of the company are consolidated in the financial statements of Burnley FC Holdings Limited. These consolidated financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### 1.2 Turnover

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

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	2% to 10% straight line per annum
Plant and vehicles	12.5% to 25% straight line per annum
Fixtures and fittings	10% to 15% straight line per annum

#### 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 (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

---

### 1 Accounting policies

(Continued)

#### 1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 2 Judgements and key sources of estimation 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.

### 3 Turnover and other revenue

	2018 £'000	2017 £'000
<b>Turnover analysed by class of business</b>		
Match income	5,604	5,844
Television rights	121,528	104,964
Catering sales	2,615	2,414
Other commercial activities	7,365	6,286
Retail sales	1,885	1,661
	<u>138,997</u>	<u>121,169</u>

### 4 Operating profit

	2018 £'000	2017 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(30)	(96)
Depreciation of tangible fixed assets	1,203	1,089
Amortisation of intangible assets	27,754	22,350
Operating lease charges	756	718
	<u></u>	<u></u>



# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 5 Auditor's remuneration

	2018 £'000	2017 £'000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	24	24
	<u>24</u>	<u>24</u>
<b>For other services</b>		
Audit-related assurance services	12	10
Taxation compliance services	9	16
All other non-audit services	16	26
	<u>37</u>	<u>52</u>

### 6 Employees

The average monthly number of persons employed by the company during the year was:

	2018 Number	2017 Number
Players, managerial and training staff	120	120
Sales, administration and ancillary staff - full time	43	49
Sales, administration and ancillary staff - part time	21	19
	<u>184</u>	<u>188</u>

Their aggregate remuneration comprised:

	2018 £'000	2017 £'000
Wages and salaries	73,524	55,468
Social security costs	8,047	5,627
Pension costs	45	103
	<u>81,616</u>	<u>61,198</u>

In addition to the above, the company employed an average of 295 (2017 - 223) match-day staff during the year.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

---

### 7 Directors' remuneration

None of the directors received remuneration from the company during the year (2017 - £Nil).

### 8 Interest receivable and similar income

	2018 £'000	2017 £'000
<b>Interest income</b>		
Interest on bank deposits	34	51
	<u>34</u>	<u>51</u>

### 9 Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest on finance leases and hire purchase contracts	12	39
Other interest on financial liabilities	5	6
	<u>17</u>	<u>45</u>

### 10 Taxation

	2018 £'000	2017 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	8,500	4,750
	<u>8,500</u>	<u>4,750</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	250
	<u>-</u>	<u>250</u>
<b>Total tax charge</b>	<u>8,500</u>	<u>5,000</u>

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £'000	2017 £'000
Profit before taxation	45,616	27,134
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	8,667	5,359
Tax effect of expenses that are not deductible in determining taxable profit	11	12
Tax effect of income not taxable in determining taxable profit	(87)	(198)
Utilisation of tax losses	-	(446)
Group relief	(92)	-
Capital allowances in excess of depreciation	1	23
Deferred tax adjustments	-	250
Taxation charge for the year	8,500	5,000

### 11 Intangible fixed assets

Player registrations  
£'000

<b>Cost</b>	
At 1 July 2017	74,870
Additions	43,522
Disposals	(22,749)
At 30 June 2018	95,643
<b>Amortisation and impairment</b>	
At 1 July 2017	35,858
Amortisation charged for the year	27,754
Disposals	(17,150)
At 30 June 2018	46,462
<b>Carrying amount</b>	
At 30 June 2018	49,181
At 30 June 2017	39,012

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 12 Tangible fixed assets

	Leasehold improvements £'000	Plant and vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 July 2017	6,739	2,598	2,383	11,720
Additions	497	561	97	1,155
Disposals	-	(91)	-	(91)
At 30 June 2018	7,236	3,068	2,480	12,784
<b>Depreciation and impairment</b>				
At 1 July 2017	3,186	1,531	1,463	6,180
Depreciation charged in the year	755	246	202	1,203
Eliminated in respect of disposals	-	(33)	-	(33)
At 30 June 2018	3,941	1,744	1,665	7,350
<b>Carrying amount</b>				
At 30 June 2018	3,295	1,324	815	5,434
At 30 June 2017	3,553	1,067	920	5,540

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £'000	2017 £'000
Plant and vehicles	4	68
Leasehold improvements	68	135
	72	203

### 13 Debtors

	2018 £'000	2017 £'000
Trade debtors	27,967	1,814
Amounts owed by group undertakings	12,159	7,401
Prepayments and accrued income	4,333	1,649
	44,459	10,864

#### Details of non-current trade and other debtors

£7,735,000 (2017 - £Nil) of trade debtors is classified as non current.

Included within trade debtors is £27,883,000 (2017 - £1,709,000) relating to amounts due from other football clubs.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 14 Creditors: amounts falling due within one year

	Notes	2018 £'000	2017 £'000
Obligations under finance leases	16	77	95
Trade creditors		14,707	15,350
Amounts due to group undertakings		517	518
Corporation tax		4,873	2,623
Other taxation and social security		4,461	3,657
Accruals and deferred income		27,165	18,919
		<u>51,800</u>	<u>41,162</u>

Included within trade creditors is £13,338,000 (2017 - £14,255,000), which relate to amounts due to other football clubs.

Included within accruals and deferred income is £281,000 (2017 £1,500,000), which relate to amounts due to other football clubs.

### 15 Creditors: amounts falling due after more than one year

	Notes	2018 £'000	2017 £'000
Obligations under finance leases	16	-	113
Trade creditors		9,246	-
Accruals and deferred income		1,004	-
		<u>10,250</u>	<u>113</u>

Included within trade creditors is £9,246,000 (2017 - £Nil), which relate to amounts due to other football clubs.

### 16 Finance lease obligations

	2018 £'000	2017 £'000
Future minimum lease payments due under finance leases:		
Within one year	77	95
In two to five years	-	113
	<u>77</u>	<u>208</u>

Finance lease obligations are secured on the fixed assets to which they relate.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 17 Provisions for liabilities

	Notes	2018 £'000	2017 £'000
Deferred tax liabilities	18	250	250

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £'000	Liabilities 2017 £'000
<b>Balances:</b>		
Accelerated capital allowances	250	250

There were no deferred tax movements in the year.

### 19 Retirement benefit schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £45,000 (2017 - £103,000).

Contributions totalling £15,000 (2017 - £12,000) were payable to the scheme at the end of the year and are included in creditors.

### 20 Share capital

	2018 £'000	2017 £'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
77,000 Ordinary shares of £1 each	77	77

### 21 Financial commitments, guarantees and contingent liabilities

#### Contingent liabilities

Additional transfer fees of up to £12,990,000 (2017 - £7,080,000), 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 (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £'000	2017 £'000
Within one year	113	113
Between two and five years	237	321
	<u>350</u>	<u>434</u>

The company is also party to a long term lease agreement with Longside Properties Limited, a fellow subsidiary of Burnley FC Holdings Limited, in respect of certain land and buildings. At 30 June 2018, the total future minimum lease payments under these agreements was £32,271,000 (2017 - £32,643,000), due in installments over the next 86 years. Any future amendments to this agreement are at the discretion of the group's board of directors.

### 23 Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil.

### 24 Events after the reporting date

#### Non adjusting events after the financial period

Following the year end the club acquired the player registrations of Joe Hart, Matej Vydra and Ben Gibson on permanent playing contracts. Various existing players have had their contracts renewed or extended.

The player registrations of Scott Arfield, Dean Marney, Chris Long and Tom Anderson have been disposed of after the year end.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2018**

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### **25 Related party transactions**

#### **Transactions with 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 £198,000 (2017 - £156,000). At the balance sheet date the amount due to these entities was £12,000 (2017 - £2,000).

During the year, the company supplied goods and services to these entities amounting to £238,000 (2017 - £291,000). At the balance sheet date the amount due from these entities was £10,000 (2017 - £4,000).

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

### **26 Controlling party**

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

The parent of the only group in which these financial statements are consolidated is Burnley FC Holdings Limited.

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.