

Registered number: 07406020

VENKY'S LONDON LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

KPMG LLP
Chartered Accountants
Edward VII Quay
Navigation Way
Preston
Lancashire
PR2 2YF

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COMPANIES HOUSE

VENKY'S LONDON LIMITED

COMPANY INFORMATION

DIRECTORS

Mrs Anuradha J Desai
Mr B Venkatesh Rao
Mr B Balaji Rao
Mr Jitendra M Desai

REGISTERED NUMBER

07406020

REGISTERED OFFICE

Squire Sanders (UK) Limited
7 Devonshire Square
London
EC2M 4YH

INDEPENDENT AUDITOR

KPMG LLP
Chartered Accountants
Edward VII Quay
Navigation Way
Preston
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PR2 2YF

VENKY'S LONDON LIMITED
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VENKY'S LONDON LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report and the financial statements for the year ended 31 March 2015.

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).

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 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.

PRINCIPAL ACTIVITY

The principal activity of the Company throughout the year continues to be that of a holding company of a professional football club.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £35,554,627 (2014 - loss £36,038,212).

The directors do not recommend payment of a dividend (2014 - £nil).

DIRECTORS

The directors who served during the year were:

Mrs Anuradha J Desai
Mr B Venkatesh Rao
Mr B Balaji Rao
Mr Jitendra M Desai

VENKY'S LONDON LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

POLITICAL CONTRIBUTIONS

There were no political contributions during the year (2014 - £nil). Charitable donations did not exceed £2,000 in total.

FUTURE DEVELOPMENTS

Compliance with Championship Financial Fair Play ("FFP") regulations will challenge all football clubs as they try to manage finances, such that they operate within their income levels. The focus for Blackburn Rovers has to be on striving for promotion back to the Premier League, but also working to increase revenue streams back up to a level that will allow them to achieve this.

The board endeavours to keep up to date with new developments occurring in the market segment in which the Company operates.

ENVIRONMENTAL POLICIES

During the year to 31st December 2014, the group maintained its 100% waste management recycle percentage, reducing its impact on the environment by handling 22 tonnes less waste, and saving over £14,900 in Landfill tax. The group constantly monitor energy saving opportunities, and continued to implement policies, which have resulted in a reduction in both energy and water consumption, in the year to 31st March 2015.

DISCLOSURE OF INFORMATION TO AUDITOR


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3rd July 2015 and signed on its behalf.


Director
Jitendra M. Desai

VENKY'S LONDON LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015

BUSINESS REVIEW

The results for the year are shown in the Profit and Loss Account of the financial statements and are summarised in the table of key performance indicators below.

The whole of the turnover from continuing activities is attributable to the operations of the football club; the reduction in turnover to £24m (2014 £28.6m) was due to the reduction in the share of parachute payment received by the club. Operating expenditure for the year also reduced, wages and salaries reduced to £31.3m (2014 £34.6m), and other operating costs slightly increased to £21.8m (2014 £21.02m), however this included £8m of exceptional costs, non-exceptional operating costs therefore reduced to 13.8m (2014 £21.02m). These changes in the operating expenses mitigated the reduction in turnover and resulted in a slightly increased operating loss of £29.2m (2014 £27m) for the year 2015. The loss for the year was £35.6m (2014 £36 m).

The focus of the company has again been for the football club to obtain promotion back to the Premier League; further significant changes were made to the playing squad to reduce ongoing costs, whilst at the same time reducing the average age of the playing squad, and increasing its potential resale value. The team maintained a strong challenge with a 9th place finish, again narrowly missing out on a playoff position. The club enjoyed a successful FA cup run, bringing additional financial benefit. As a result of the changes to the playing squad there was a loss on sale of intangible assets of £5.4m (2014 £4.7m).

PRINCIPAL RISKS AND UNCERTAINTIES

The board constantly monitors new developments and assesses the threats to the business by close monitoring of the sectors in which it operates.

Business risks identified include reduced income from parachute payments in 2015/16 and the effect of sanctions from non-compliance with FFP rules.

The board ensures compliance with all relevant rules and regulations, in particular those laid down by 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.


VENKY'S LONDON LIMITED

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

KEY FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

	<u>2014/15</u>	<u>2013/14</u>
	<u>£m</u>	<u>£m</u>
Turnover	24.0	28.6
Wages & salaries	31.3	34.6
Other operating expenses		
- non exceptional	13.8	21.02
- exceptional	8.0	-
Operating loss	(29.2)	(27.0)
Interest payable net of interest receivable	(1.0)	(1.0)
Loss before trading of intangible assets and investment impairment	(30.2)	(28.0)
Investment written off	-	(3.4)
Loss on the sale of Intangible assets	(5.4)	(4.7)
Loss before tax	(35.6)	(36.0)
Decrease in cash	(0.3)	(1.7)
Closing net debt	(16.4)	(21.2)
Championship finishing position	9 th	8 th
Average league attendance	14,930	14891
Wage to turnover ratio %	130.65%	120.77%

This report was approved by the board on 8th July 2015 and signed on its behalf.


 Director
 Jitendra M. Desai

VENKY'S LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VENKY'S LONDON LIMITED

We have audited the financial statements of Venky's London Limited for the year ended 31 March 2015, set out on pages 9 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's loss 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

VENKY'S LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VENKY'S LONDON LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Richard Evans (Senior statutory auditor)

for and on behalf of
KPMG LLP

Chartered Accountants

Edward VII Quay
Navigation Way
Preston
Lancashire
PR2 2YF

9 July 2015

VENKY'S LONDON LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	2	23,987,864	28,623,903
Administrative expenses		(45,140,460)	(55,591,006)
Exceptional administrative expenses	4	(8,021,745)	-
Operating expenses		<u>(53,162,205)</u>	<u>(55,591,006)</u>
OPERATING LOSS	3	(29,174,341)	(26,967,103)
Net loss on disposal of intangible assets	9	(5,371,402)	(4,658,334)
Amounts written off investments	13	-	(3,378,378)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(34,545,743)	(35,003,815)
Interest receivable and similar income	7	950	2,301
Interest payable and similar charges	8	<u>(1,009,834)</u>	<u>(1,036,698)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(35,554,627)	(36,038,212)
Tax on loss on ordinary activities	10	-	-
LOSS FOR THE FINANCIAL YEAR	20	<u>(35,554,627)</u>	<u>(36,038,212)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss account.

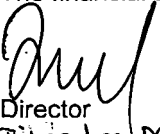
The notes on pages 13 to 32 form part of these financial statements.

VENKY'S LONDON LIMITED
REGISTERED NUMBER: 07406020

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015**

	Note	2015 £	2014 £
FIXED ASSETS			
Other intangible assets		6,434,509	13,900,987
Negative goodwill		(9,490,519)	(9,976,335)
Intangible assets	11	(3,056,010)	3,924,652
Tangible assets	12	52,131,200	53,575,341
		<u>49,075,190</u>	<u>57,499,993</u>
CURRENT ASSETS			
Stocks	14	160,682	196,036
Debtors	15	2,278,996	4,480,516
Cash at bank		502,171	273,964
		<u>2,941,849</u>	<u>4,950,516</u>
CREDITORS: amounts falling due within one year	16	<u>(28,437,994)</u>	<u>(29,272,867)</u>
NET CURRENT LIABILITIES		<u>(25,496,145)</u>	<u>(24,322,351)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,579,045</u>	<u>33,177,642</u>
CREDITORS: amounts falling due after more than one year	17	(3,725,081)	(8,667,170)
PROVISIONS FOR LIABILITIES	18	(2,153,089)	-
NET ASSETS		<u>17,700,875</u>	<u>24,510,472</u>
CAPITAL AND RESERVES			
Called up share capital	19	100,535,076	84,622,576
Capital contribution	20	15,837,500	3,005,000
Profit and loss account	20	(98,678,396)	(63,123,769)
SHAREHOLDERS' FUNDS	21	17,694,180	24,503,807
MINORITY INTERESTS	22	6,695	6,665
		<u>17,700,875</u>	<u>24,510,472</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8th July 2015


Director
Jitendra M. Desai


The notes on pages 13 to 32 form part of these financial statements.

VENKY'S LONDON LIMITED
REGISTERED NUMBER: 07406020

COMPANY BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015	£	£	2014	£
FIXED ASSETS							
Investments	13		31,890,101			31,640,101	
CURRENT ASSETS							
Debtors: amounts falling due after more than one year	15	80,700,000			52,200,000		
Cash at bank		19,888			7,853		
		<u>80,719,888</u>			<u>52,207,853</u>		
CREDITORS: amounts falling due within one year	16	<u>(144,773)</u>			<u>(106,126)</u>		
NET CURRENT ASSETS			<u>80,575,115</u>			<u>52,101,727</u>	
NET ASSETS			<u>112,465,216</u>			<u>83,741,828</u>	
CAPITAL AND RESERVES							
Called up share capital	19		100,535,076			84,622,576	
Capital contribution	20		15,837,500			3,005,000	
Profit and loss account	20		<u>(3,907,360)</u>			<u>(3,885,748)</u>	
SHAREHOLDERS' FUNDS	21		<u>112,465,216</u>			<u>83,741,828</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8th July 2015


Director
Jitendra M. Desai

The notes on pages 13 to 32 form part of these financial statements.

VENKY'S LONDON LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	(17,905,282)	(18,647,033)
Returns on investments and servicing of finance	24	(1,008,854)	(1,034,397)
Capital expenditure and financial investment	24	(4,817,549)	(8,003,771)
Acquisitions and disposals	24	(250,000)	-
CASH OUTFLOW BEFORE FINANCING		(23,981,685)	(27,685,201)
Financing	24	23,710,392	26,025,231
DECREASE IN CASH IN THE YEAR		(271,293)	(1,659,970)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
Decrease in cash in the year	(271,293)	(1,659,970)
Cash inflow from increase in debt and lease financing	5,034,608	(4,480,656)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	4,763,315	(6,140,626)
New finance lease	-	(57,627)
MOVEMENT IN NET DEBT IN THE YEAR	4,763,315	(6,198,253)
Net debt at 1 April 2014	(21,175,075)	(14,976,822)
NET DEBT AT 31 MARCH 2015	(16,411,760)	(21,175,075)

The notes on pages 13 to 32 form part of these financial statements.

VENKY'S LONDON LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and United Kingdom Generally Accepted Accounting Practice.

1.2 Going concern

Blackburn Rovers Football and Athletic Pie ("BRFC") is a 99.99% subsidiary of Venky's London Limited ("VLL" or "the group"), and accounts for the significant majority of the group's trading. As a result, the use of the going concern assumption by the group is inherently linked to the use of the same assumption by BRFC.

At the 31 March 2015 the group had net current liabilities of £25,496,145 and reported an operating loss before player trading of £29,174,341 for the year ended 31 March 2015. The group may continue to make operating losses and incur net cash outflows depending on a number of variables including the success of the football club in league and cup competitions and the level of transfer activity. The group is funded through a bank facility and shareholder loans, and in view of the current financial position the group remains reliant on its ability to maintain existing and obtain additional funding as necessary.

In managing the finances of the group, the directors remain mindful of the need to ensure the football club will comply with the Championship Financial Fair Play rules.

As part of the directors' assessment of going concern they have prepared cash flow forecasts for the period to the end of March 2016. These forecasts indicate that the group will require significant funding in addition to the current facilities available to the group. The amount of additional funding required will be dependent on the net proceeds of any player trading and availability of bank facilities. In view of this the directors have received confirmation from the ultimate parent company (Venkateshwara Hatcheries Pvt. Ltd) that it has sufficient funds and is willing to provide such additional financing as may be required to fund the group to the extent necessary for the group to continue to trade and to pay its liabilities as and when they become due, for the next 12 months and thereafter for the foreseeable future, regardless of whether the facility referred to below is renewed at March 2016.

The directors have prepared these forecasts on an appropriate basis. In addition the directors have also considered the potential impact on the group's cash flows were BRFC not to regain its FA Premier League status and have identified mitigating actions that would manage the cash flow requirements of the group in such circumstances and in any event have received confirmation of support from its ultimate parent company as highlighted above.

The group is currently operating within its facilities, due for renewal in March 2016, provided by the State Bank of India. The directors believe there are no events or conditions which will cause the withdrawal of these facilities in the near future.

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

VENKY'S LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.3 Basis of consolidation

The financial statements consolidate the accounts of Venky's London Limited and all of its subsidiary undertakings ('subsidiaries'). Assets acquired on acquisition of the subsidiary undertaking are included at the fair value at that date.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.4 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling on 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 and losses on translation are included in the profit and loss account.

1.5 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 incomes.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Negative goodwill arising on acquisition is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased in the same acquisition are recovered, whether through depreciation or sale.

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 the event occurs.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**1. ACCOUNTING POLICIES (continued)****1.7 Impairment**

The carrying amounts of the Group'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.

1.8 Provision for onerous contract

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefit will be required to settle the obligation and the obligation can be estimated reliably. Within the provision for onerous contracts the directors have provided against the minimum contractual salary cost, less any potential income for contributions to that salary, for intangible fixed asset contracts which the directors believe to be onerous. The provision is discounted using the risk free rate where the effect is material.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% per annum on cost
Leasehold buildings	-	4.76% per annum on cost
Motor vehicles	-	25% per annum on cost
Fixtures and fittings	-	10% per annum on cost
Computer equipment	-	20% per annum on cost

VENKY'S LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.10 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are held at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are held at cost less provision for impairment.

1.11 Stock

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

1.12 Leasing and hire purchase

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.

1.13 Grants

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 useful economic lives are as follows: -

Freehold buildings 50 years
Fixtures and fittings 10 years

1.14 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 19.

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.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

The group 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 17 "Retirement Benefits" the Scheme is treated as a defined benefit multi-employer scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no disclosures are made under the provisions of FRS 17. 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 period in which the liability to pay arises.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Matchday	5,394,521	4,321,997
Media	15,033,766	20,855,834
Commercial	3,559,577	3,446,072
	<u>23,987,864</u>	<u>28,623,903</u>

All turnover arose within the United Kingdom.

The whole of the turnover arises from continuing activities is attributable to that of a professional football club.

3. ANALYSIS OF OPERATING LOSS

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

	2015 £	2014 £
Amortisation - intangible fixed assets	3,930,224	7,251,997
Depreciation of tangible fixed assets:		
- owned by the group	1,852,725	1,903,395
- held under finance leases	23,792	11,359
Operating lease rentals:		
- plant and machinery	54,550	111,276
Deferred grants release	(96,660)	(96,660)
(Profit)/loss on disposal of tangible assets	(3,576)	181,504

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

4. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	2015 £	2014 £
Impairment of intangible fixed assets (note 11)	3,258,448	-
Provision for onerous contracts (note 18)	4,763,297	-
	<u>8,021,745</u>	<u>-</u>

5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	10,265	10,470
Fees payable to the company's auditor and its associates in respect of:		
The auditing of the annual accounts of subsidiaries of the company	38,200	37,450
Audit-related assurance services	5,600	5,267
Taxation compliance services	6,348	9,700
All taxation advisory services not included above	50,783	71,138
	<u>106,196</u>	<u>123,925</u>

6. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	27,159,400	30,201,794
Social security costs	3,622,303	4,104,501
Other pension costs	557,592	262,021
	<u>31,339,295</u>	<u>34,568,316</u>

In addition, £4,763,297 has been charged to the profit and loss account in relation to provisions for onerous contracts.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**6. STAFF COSTS (continued)**

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

	2015 No.	2014 No.
Football players and management	153	156
Commercial, sponsorship, media and merchandising	43	46
Administration	24	24
Building, ground and pitch maintenance	42	49
	<u>262</u>	<u>275</u>

During the year, no director received any emoluments (2014 - £NIL).

7. INTEREST RECEIVABLE

	2015 £	2014 £
Short term deposits and other interest	<u>950</u>	<u>2,301</u>

8. INTEREST PAYABLE

	2015 £	2014 £
On bank loans, overdrafts and other loans	1,003,518	1,033,402
Hire purchase interest	6,316	3,296
	<u>1,009,834</u>	<u>1,036,698</u>

9. TRANSFER FEES AND ASSOCIATED COSTS

	2015 £	2014 £
Net loss on disposal of intangible assets	<u>5,371,402</u>	<u>4,658,334</u>

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

10. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(35,554,627)	(36,038,212)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(7,466,472)	(8,288,789)
Effects of:		
Non-taxable amortisation of goodwill	(49,521)	(203,230)
Non-tax deductible impairment charge	-	777,027
Tax losses	7,515,993	7,714,992
Current tax charge for the year	-	-

Taxable losses from previous years are available to offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as the group does not anticipate taxable profits to arise within the immediate future. The estimated value of the deferred tax asset not recognised measured at the standard rate of 20% is £38m (2014 - £31m).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

11. INTANGIBLE FIXED ASSETS

Group	Player registrations £	Negative goodwill £	Total £
Cost			
At 1 April 2014	26,187,203	(13,774,965)	12,412,238
Additions	1,682,991	250,000	1,932,991
Disposals	(7,799,590)	-	(7,799,590)
At 31 March 2015	20,070,604	(13,524,965)	6,545,639
Amortisation			
At 1 April 2014	12,286,216	(3,798,630)	8,487,586
Charge for the year	4,166,040	(235,816)	3,930,224
On disposals	(6,074,609)	-	(6,074,609)
Impairment charge	3,258,448	-	3,258,448
At 31 March 2015	13,636,095	(4,034,446)	9,601,649
Net book value			
At 31 March 2015	6,434,509	(9,490,519)	(3,056,010)
At 31 March 2014	13,900,987	(9,976,335)	3,924,652

FRS11 'Impairment of fixed assets and goodwill' states that a review for impairment of fixed assets should be carried out if events or changes in circumstances indicate that the carrying amount of the Group's fixed assets may not be recoverable. The directors have concluded that the current operating losses incurred within the Group following relegation at the end of the 2011/12 season, and subsequent failure to achieve promotion to the Premier League represent such a change in circumstances, and accordingly have performed an impairment review. This has resulted in an impairment loss being charged to the Profit and Loss Account of £3,258,448 in the year.

Negative goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is released to the Profit and Loss Account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2014	55,451,007	110,338	4,163,975	59,725,320
Additions	-	100,644	333,490	434,134
Disposals	-	-	(11,513)	(11,513)
At 31 March 2015	55,451,007	210,982	4,485,952	60,147,941
Depreciation				
At 1 April 2014	4,406,013	19,111	1,724,855	6,149,979
Charge for the year	1,293,887	38,864	543,766	1,876,517
On disposals	-	-	(9,755)	(9,755)
At 31 March 2015	5,699,900	57,975	2,258,866	8,016,741
Net book value				
At 31 March 2015	49,751,107	153,007	2,227,086	52,131,200
At 31 March 2014	51,044,994	91,227	2,439,120	53,575,341

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2015 £	2014 £
Motor vehicles	44,620	60,712
Furniture, fittings and equipment	40,422	48,122
	<u>85,042</u>	<u>108,834</u>

Included in freehold property is land held at £6,600,000 which is not depreciated.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

13. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
Cost or valuation	
At 1 April 2014 and 31 March 2015	3,378,378
Impairment	
At 1 April 2014 and 31 March 2015	3,378,378
Net book value	
At 31 March 2014 and 31 March 2015	-

Company	Investments in subsidiary company £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2014	31,640,101	3,378,378	35,018,479
Additions	250,000	-	250,000
At 31 March 2015	31,890,101	3,378,378	35,268,479
Impairment			
At 1 April 2014 and 31 March 2015	-	3,378,378	3,378,378
Net book value			
At 31 March 2015	31,890,101	-	31,890,101
At 31 March 2014	31,640,101	-	31,640,101

The investment in subsidiary company represents a 99.99% shareholding in The Blackburn Rovers Football & Athletic Club Limited, comprising of 143,981,789 ordinary £1 shares.

The unlisted investment represents a minority shareholding in Hitlab INC, an unlisted Canadian company.

14. STOCKS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Finished goods and goods held for resale	160,682	196,036	-	-

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

15. DEBTORS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Due after more than one year				
Amounts owed by group undertakings	-	-	80,700,000	52,200,000
	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Due within one year				
Trade debtors	596,645	2,002,287	-	-
Other debtors	47,738	78,594	-	-
Prepayments and accrued income	1,634,613	2,399,635	-	-
	2,278,996	4,480,516	-	-

16. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank overdraft	12,375,608	11,876,108	-	-
Other loans	4,500,000	5,000,000	-	-
Net obligations under finance leases and hire purchase contracts	23,059	34,608	-	-
Trade creditors	3,394,786	4,404,148	-	-
Amounts owed to group undertakings	-	-	102,500	75,000
Other taxation and social security	1,858,310	2,136,032	-	-
Other creditors	2,749,681	2,011,041	-	-
Accruals and deferred income	3,536,550	3,810,930	42,273	31,126
	28,437,994	29,272,867	144,773	106,126

The bank loan and overdraft are not secured over any of the group's assets, however the bank reserves the right to ask for a debenture charge over the assets of the group during the life of the facility. Interest is paid upon the facility at 2.65% over GBP LIBOR and the facility is due for renewal in March 2016.

Other loans are repayable, in August 2015 from the proceeds of distribution of central funds from the Premier League, against which it is secured. Interest is charged at a rate of 9.5% per annum.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

17. CREDITORS:

Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other loans	-	4,500,000	-	-
Net obligations under finance leases and hire purchase contracts	15,264	38,323	-	-
Trade creditors	1,000,000	2,265,713	-	-
Other creditors	1,294,593	351,250	-	-
Government grants received	1,415,224	1,511,884	-	-
	3,725,081	8,667,170	-	-

Included within the above are amounts falling due as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Between one and two years				
Other loans	-	4,500,000	-	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Between one and five years	15,264	38,323	-	-

Net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

18. PROVISIONS FOR LIABILITIES

	Provisions for onerous contracts £
Group	
Charge to the profit and loss for the year	4,763,297
Utilised during the year	(2,610,208)
At 31 March 2015	<u>2,153,089</u>

Provisions for onerous contracts

This provision relates to certain player contracts which are considered onerous. Onerous contracts represent the difference between salaries payable by the Group, net of any amounts deemed recoverable by the board.

It is expected that this provision will be utilised within two years of the balance sheet date.

The Company has no provisions

19. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
100,535,076 (2014 - 84,622,576) Ordinary shares of £1 each	<u>100,535,076</u>	<u>84,622,576</u>

During the year the company has allotted, called up and issued 15,912,500 fully paid ordinary shares at par of £1 each to fund further investment.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

20. RESERVES

Group	Capital contribution reserve £	Profit and loss account £
At 1 April 2014	3,005,000	(63,123,769)
Loss for the financial year	-	(35,554,627)
Movement on capital contribution reserve	12,832,500	-
	<u>15,837,500</u>	<u>(98,678,396)</u>
At 31 March 2015		
	<u>15,837,500</u>	<u>(98,678,396)</u>
Company	Capital contribution reserve £	Profit and loss account £
At 1 April 2014	3,005,000	(3,885,748)
Loss for the financial year	-	(21,612)
Movement on Capital contribution reserve	12,832,500	-
	<u>15,837,500</u>	<u>(3,907,360)</u>
At 31 March 2015		
	<u>15,837,500</u>	<u>(3,907,360)</u>

The capital contribution reserve represents amounts received from Venkateshwara Hatcheries Pvt Ltd. No interest is charged on this funding, and there is no intention for these funds to be repaid.

During the year, a further £28,745,000 was received as capital contribution and £15,912,500 of this reserve was converted into share capital. No interest is chargeable on this funding and there is no intention for these funds to be repaid.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2015 £	2014 £
Opening shareholders' funds	24,503,807	38,997,444
Loss for the financial year	(35,554,627)	(36,038,212)
Shares issued during the year	15,912,500	21,039,575
Capital contribution reserve	12,832,500	505,000
Closing shareholders' funds	<u>17,694,180</u>	<u>24,503,807</u>

Company	2015 £	2014 £
Opening shareholders' funds	83,741,828	65,620,466
Loss for the financial year	(21,612)	(3,423,213)
Shares issued during the year	15,912,500	21,039,575
Capital contribution reserve	12,832,500	505,000
Closing shareholders' funds	<u>112,465,216</u>	<u>83,741,828</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £21,612 (2014 - £-3,423,213).

22. MINORITY INTERESTS

Equity	£
At 1 April 2014	6,665
Shares issued during the year	<u>30</u>
At 31 March 2015	<u>6,695</u>

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating loss	(29,174,341)	(26,967,103)
Amortisation/Impairment of intangible fixed assets	7,188,672	7,251,997
Depreciation of tangible fixed assets	1,876,517	1,914,754
(Profit)/loss on disposal of tangible fixed assets	(3,576)	181,504
Decrease in stocks	35,354	7,544
Decrease in debtors	968,493	1,871,277
Decrease in creditors	(949,490)	(2,907,006)
Exceptional charge in respect of provisions	2,153,089	-
Net cash outflow from operating activities	(17,905,282)	(18,647,033)

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	950	2,301
Interest paid	(1,003,518)	(1,033,402)
Hire purchase interest	(6,316)	(3,296)
Shares issued to minority interests	30	-
Net cash outflow from returns on investments and servicing of finance	(1,008,854)	(1,034,397)

	2015 £	2014 £
Capital expenditure and financial investment		
Payments to acquire intangible fixed assets	(3,691,317)	(9,263,239)
Receipts from sale of intangible fixed assets	3,877,869	1,843,083
Payments to dispose of intangible fixed assets	(4,575,301)	-
Purchase of tangible fixed assets	(434,134)	(584,015)
Sale of tangible fixed assets	5,334	400
Net cash outflow from capital expenditure	(4,817,549)	(8,003,771)

	2015 £	2014 £
Acquisitions and disposals		
Additions to fixed asset investments	(250,000)	-

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Financing		
Issue of ordinary shares	15,912,500	21,039,575
Movement in capital contribution reserve	12,832,500	505,000
New secured loans	-	9,500,000
Repayment of secured loan	(5,000,000)	(5,000,000)
Repayment of finance leases	(34,608)	(19,344)
Net cash inflow from financing	23,710,392	26,025,231

25. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	273,964	228,207	-	502,171
Bank overdraft	(11,876,108)	(499,500)	-	(12,375,608)
	(11,602,144)	(271,293)	-	(11,873,437)
Debt:				
Finance leases	(72,931)	34,608	-	(38,323)
Debts due within one year	(5,000,000)	5,000,000	(4,500,000)	(4,500,000)
Debts falling due after more than one year	(4,500,000)	-	4,500,000	-
Net debt	(21,175,075)	4,763,315	-	(16,411,760)

26. POTENTIAL FUTURE PLAYER REGISTRATIONS

In respect of the subsidiary undertaking, under the terms of certain contracts for the purchase of players' registrations, future payments may be due, dependant upon the success of the team and/or individual players. Similar terms exist in contracts for sales of player registrations.

Any amounts payable in relation to playing appearances and team performances are recognised when the event occurs. The maximum potential liability for amounts due to football clubs and other third parties for first team players is £4,011,492.

VENKY'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**27. CAPITAL COMMITMENTS**

At 31 March 2015 the group and company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	2015 £	2014 £	2015 £	2014 £
Contracted for but not provided in these financial statements	-	62,597	-	-

28. PENSION COMMITMENTS

In respect of the subsidiary undertaking, pension contributions are paid by the group into the personal pension schemes of certain employees. The assets of the scheme are held separately from those of the group in independently administered funds. The contributions paid during the period amounted to £557,592 (2014 - £262,021).

The subsidiary company is a member of the Football League Pension and Life Assurance Scheme. In August 1999, the Group was informed that the scheme would be wound up with effect from 31st August 1999. It is understood that the scheme is in deficit and that the Group's share of this deficit is currently estimated to be £392,282. This deficit has not been provided for in these accounts.

29. OPERATING LEASE COMMITMENTS

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

Group	2015 £	2014 £
Expiry date:		
Within 1 year	-	37,184
Between 2 and 5 years	23,937	11,988

30. RELATED PARTY TRANSACTIONS

During the year, the Group charged rent of £71,807 (2014 - £71,807) to 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 £45,409 was owed by Blackburn Rovers Community Trust (2014 - £49,648) in respect of these transactions. These amounts are included within other debtors and other creditors respectively. Directors of Blackburn Rovers Football and Athletic Limited are trustees of Blackburn Rovers Community Trust.

VENKY'S LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

31. POST BALANCE SHEET EVENTS

Since the balance sheet date, the group has entered into transfer agreements, amounting to net transfer fees receivable of £Nil (2014 - £1,618,069).

Since the balance sheet date the group has entered into agreements with several employees, which has resulted in the termination of their employment by the group. These compromise agreements have resulted in amounts payable by the group of £Nil (2014 - £4,133,561).

32. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard Venkateshwara Hatcheries Pvt Limited, a company registered in India, as this company's controlling company. Ultimate control is held by Mrs Anuradha J Desai, Mr B Venkatesh Rao and Mr B Balaji Rao.