Company Registration No. 07406020 (England and Wales)

VENKYS LONDON LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

PM+M Solutions for Business LLP
Chartered Accountants
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

VENKYS LONDON LIMITED

COMPANY INFORMATION

Directors	Mrs Anuradha J Desai Mr B Venkatesh Rao Mr B Balaji Rao Mr Jitendra M Desai
Company number	07406020
Registered office	c/o Squire Patton Boggs (UK) LLP 7 Devonshire Square London EC2M 4YH
Auditor	PM+M Solutions for Business LLP Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

VENKYS LONDON LIMITED

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VENKYS LONDON LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business
The results for the year are shown in the Statement of Comprehensive Income in 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 Blackburn Rovers Football and Athletic Limited ("The Club"); the reduction in turnover to £10.2m (2017 £16.1m) was due to the relegation of the Club to Division One at the end of the 2016/17 season. Operating expenditure for the year also reduced, wages and salaries reduced by £6.9m to £15.7m (2017 £22.6m), and other operating costs reduced to £10.2m (2017 £11.5m). Operating costs excluding wages and salaries therefore reduced by £1.3m (2017 £0.9m).

The focus of the company has been for the Club to obtain promotion back to the Championship; whilst remaining compliant with Financial Fair Play (FFP). 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. As a result of the changes to the playing squad there was a profit on disposal of £1.0m (2017 profit £11.7m).

As a result of the above there was an increase in the loss before taxation of £8.1m (2017 £4.3m) for the year to 31 March 2018. The loss for the year was £15.2m (2017 £7.1m).

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 the challenges the Club will face in 2018/19 on being promoted to the Championship, however during the year under review, the Club was FFP compliant, and traded without restriction.

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.

Key financial and non financial performance indicators

	2017/18 Division One £m	2016/17 Championship £m
Turnover	10.2	16.1
Wages and salaries	15.7	22.6
Other operating expenses		
- non exceptional	10.2	11.5
- exceptional	-	-
Operating loss	(15.7)	(18.0)
Interest payable net of interest receivable	(0.5)	(0.8)
Loss before trading of intangible assets	(16.2)	(18.8)
Profit / (Loss) on sale of Intangible assets	1.0	11.7
Loss before tax	(15.2)	(7.1)
Increase / (Decrease) in cash	(0.1)	(3.5)
Closing cash and cash equivalents	(13.8)	(13.7)
League finishing position	2nd	22nd
Average league attendance	12,832	12,688
Wage to turnover ratio %	154%	140%

On behalf of the board

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Mr Jitendra M Desai
Director

20/07/2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities
The principal activity of the company is investing in commercial and sporting ventures and the principal activity of the group is presently that of a professional football club (The Blackburn Rovers Football and Athletic Limited) with related commercial activities.

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

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

Results and dividends
The results for the year are set out on page 8.

No ordinary dividends were paid.The directors are unable to recommend payment of a final dividend.

Post reporting date events
Subsequent to the year end, the subsidiary The Blackburn Rovers Football and Athletic Limited achieved promotion from League 1 to the Championship. It is anticipated this will benefit the future financial performance of the group.

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

Auditor
In accordance with the company's articles, a resolution proposing that PM+M Solutions for Business LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

Employees and environmental matters

The group is committed to ensuring that it complies with all relevant legislation, in connection with unlawful or unfair discrimination of any kind in its business. The company's employment policies are designed to retain and motivate staff at all levels. During the year to 31 December 2017, the group maintained its 100% waste management recycle percentage, reducing its impact on the environment by handling 149.0 tonnes less waste, and saving almost £13,000 in landfill tax. The group constantly monitors energy saving opportunities, and continued to implement relevant policies.

On behalf of the board

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Mr Jitendra M Desai
Director
Date: 20/07/2018

VENKYS LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VENKYS LONDON LIMITED

Qualified opinion

We have audited the financial statements of Venkys London Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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).

The company balance sheet of Venkys London Limited includes amounts invested in and loaned to its subsidiary, The Blackburn Rovers Football and Athletic Limited, totalling £138,941,619, stated at their initial cost. Contrary to the provisions of paragraph 11.13 of FRS 102 there has been no discounting of these sums for anticipated delays in the timing of receipt or for any uncertainty over eventual realisation. The directors set out the basis of their treatment in note 1.19 to the financial statements.

The latest publicly available accounts of The Blackburn Rovers Football and Athletic Limited at 30 June 2017 showed net liabilities of £76,985,195 and a loss for the year then ended of £3,753,486. The results and financial position of that company at 31 March 2018 are included within the consolidated accounts of the Group. This qualification has no effect on the unqualified opinion given on the results of the Group.

In our opinion, except for the effects of the matters described in the preceding paragraph, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 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.

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 group's or the parent 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 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.

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF VENKYS LONDON LIMITED

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.

PM+M Solutions for Business LLP

David Gorton FCA CTA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP

30/7/18

Chartered Accountants
Statutory Auditor

Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

VENKYS LONDON LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	**10,172,077**	16,127,072
Administrative expenses		**(25,918,083)**	(34,076,086)
Operating loss	4	**(15,746,006)**	(17,949,014)
Interest receivable and similar income	7	**108**	1,595
Interest payable and similar expenses	8	**(450,563)**	(786,279)
Profit on disposal of intangible fixed assets		**1,029,415**	11,675,286
Loss before taxation		**(15,167,046)**	(7,058,412)
Tax on loss	9	**16,462**	-
Loss for the financial year	22	**(15,150,584)**	(7,058,412)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company,

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

VENKYS LONDON LIMITED

GROUP BALANCE SHEET
AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Negative goodwill	10		(8,577,562)		(8,881,881)
Other intangible assets	10		1,453,410		573,022
Total intangible assets			(7,124,152)		(8,308,859)
Tangible assets	11		47,642,635		49,224,402
			40,518,483		40,915,543
Current assets					
Stocks	14	168,133		181,337	
Debtors falling due after more than one year	15	10,072		287,482	
Debtors falling due within one year	15	4,994,614		3,690,624	
Cash at bank and in hand		237,893		223,806	
		5,410,712		4,383,249	
Creditors: amounts falling due within one year	16	(21,990,132)		(25,012,927)	
Net current liabilities			(16,579,420)		(20,629,678)
Total assets less current liabilities			23,939,063		20,285,865
Creditors: amounts falling due after more than one year	17		(1,324,584)		(1,412,958)
Net assets			22,614,479		18,872,907
Capital and reserves					
Called up share capital	21		147,495,732		126,723,576
Capital contribution	22		-		1,880,000
Profit and loss reserves	22		(124,887,948)		(109,737,364)
Equity attributable to owners of the parent company			22,607,784		18,866,212
Non-controlling interests			6,695		6,695
			22,614,479		18,872,907

The financial statements were approved by the board of directors and authorised for issue on 20/7/18 and are signed on its behalf by:

Mr Jitendra M Desai
Director

VENKYS LONDON LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 as restated £	2017 as restated £
Fixed assets					
Investments	12		**34,890,101**		34,890,101
Current assets					
Debtors	15	**106,154,563**		86,842,589	
Cash at bank and in hand		**467**		7,424	
		106,155,030		86,850,013	
Creditors: amounts falling due within one year	16	**(2,120,925)**		(1,371,749)	
Net current assets			**104,034,105**		85,478,264
Total assets less current liabilities			**138,924,206**		120,368,365
Capital and reserves					
Called up share capital	21		**147,495,732**		126,723,576
Capital contribution	22		**-**		1,880,000
Profit and loss reserves	22		**(8,571,526)**		(8,235,211)
Total equity			**138,924,206**		120,368,365

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £336,315 (2017 - £4,310,912 loss).

The financial statements were approved by the board of directors and authorised for issue on 20/7/18 and are signed on its behalf by:

....
Mr Jitendra M Desai
Director

Company Registration No. 07406020

VENKYS LONDON LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital	Capital contribution	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£
Balance at 1 April 2016		123,957,576	-	(102,678,952)	21,278,624	6,695	21,285,319
Year ended 31 March 2017:							
Loss and total comprehensive income for the year		-	-	(7,058,412)	(7,058,412)	-	(7,058,412)
Issue of share capital	21	2,766,000	-	-	2,766,000	-	2,766,000
Capital contribution received		-	1,880,000	-	1,880,000	-	1,880,000
Balance at 31 March 2017		126,723,576	1,880,000	(109,737,364)	18,866,212	6,695	18,872,907
Year ended 31 March 2018:							
Loss and total comprehensive income for the year		**-**	**-**	**(15,150,584)**	**(15,150,584)**	**-**	**(15,150,584)**
Issue of share capital	**21**	**20,772,156**	**-**	**-**	**20,772,156**	**-**	**20,772,156**
Capital contribution utilised in issuing shares		**-**	**(1,880,000)**	**-**	**(1,880,000)**	**-**	**(1,880,000)**
Balance at 31 March 2018		**147,495,732**	**-**	**(124,887,948)**	**22,607,784**	**6,695**	**22,614,479**

VENKYS LONDON LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital	Capital contribution	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2016		123,957,576	-	(3,924,299)	120,033,277
Year ended 31 March 2017:					
Loss and total comprehensive income for the year		-	-	(4,310,912)	(4,310,912)
Issue of share capital	21	2,766,000	-	-	2,766,000
Capital contribution received		-	1,880,000	-	1,880,000
Balance at 31 March 2017		126,723,576	1,880,000	(8,235,211)	120,368,365
Year ended 31 March 2018:					
Loss and total comprehensive income for the year		-	-	**(336,315)**	**(336,315)**
Issue of share capital	21	**20,772,156**	-	-	**20,772,156**
Capital contribution utilised in share issue		-	**(1,880,000)**	-	**(1,880,000)**
Balance at 31 March 2018		**147,495,732**	-	**(8,571,526)**	**138,924,206**

VENKYS LONDON LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash absorbed by operations	28		**(15,402,446)**		(16,974,224)
Interest paid			**(450,563)**		(786,279)
Income taxes refunded/(paid)			**16,462**		-
Net cash outflow from operating activities			**(15,836,547)**		(17,760,503)
Investing activities					
Purchase of intangible assets		**(1,279,857)**		(236,411)	
Proceeds on disposal of intangibles		**261,835**		10,068,260	
Purchase of tangible fixed assets		**(266,624)**		(298,550)	
Proceeds on disposal of tangible fixed assets		**2,242**		3,933	
Interest received		**108**		1,595	
Net cash (used in)/generated from investing activities			**(1,282,296)**		9,538,827
Financing activities					
Proceeds from issue of shares		**18,892,156**		2,766,000	
Capital contribution received		**-**		1,880,000	
Proceeds from borrowings		**-**		1,800,000	
Repayment of borrowings		**(1,800,000)**		(1,715,264)	
Payment of finance leases obligations		**(32,700)**		(29,582)	
Net cash generated from financing activities			**17,059,456**		4,701,154
Net decrease in cash and cash equivalents			**(59,387)**		(3,520,522)
Cash and cash equivalents at beginning of year			**(13,710,451)**		(10,189,929)
Cash and cash equivalents at end of year			**(13,769,838)**		(13,710,451)
Relating to:					
Cash at bank and in hand			**237,893**		223,806
Bank overdrafts included in creditors payable within one year			**(14,007,731)**		(13,934,257)

1 Accounting policies

Company information

Venkys London Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is c/o Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH..

The group consists of Venkys London Limited and its subsidiary.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. In the consolidated group accounts, the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Venkys London Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests represent the nominal value of the share capital held by non-controlling shareholders in subsidiaries. No proportion of the deficit on accumulated reserves has been allocated.

1 Accounting policies **(Continued)**

1.3 Going concern

The Blackburn Rovers Football and Athletic Limited ("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 31 March 2018 the group had net current liabilities of £16,579,420 and reported an operating loss before player trading of £16,196,461 for the year ended 31 March 2018. 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 share capital 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 detailed cash flow forecasts for the period to the end of June 2019 and outline forecasts for a further 3 years beyond that. 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 in January 2019.The directors have prepared these forecasts on an appropriate basis.

The group is currently operating within its facilities, due for renewal in January 2019, 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.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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 players' initial contract. The external costs of securing an extension or renewal of an existing contract for both 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 events are expensed when the event occurs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Freehold land and buildings	2% per annum on cost
Fixtures and fittings	10% per annum on cost
Computers	20% per annum on cost
Motor vehicles	25% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Investments in subsidiaries are measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Other investments held as fixed assets are measured at cost less provision for impairment.

1 Accounting policies **(Continued)**

1.8 Impairment of fixed assets

At each reporting period end date, the group 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 the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

1 Accounting policies **(Continued)**

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

1.15 Retirement benefits

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

1.16 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.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Deferred grants are release over the life of the assets to which they relate.

1 Accounting policies **(Continued)**

1.18 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.

1.19 Intra-group investments and loans

The Company has a significant investment in the shares of The Blackburn Rovers Football and Athletic Limited, a subsidiary of the company and has also advanced this subsidiary substantial loans. The short term financial performance of the subsidiary has been volatile but in the opinion of the directors the value of this investment has increased since the previous year end. The Company is committed to support the subsidiary going forwards and is confident of its growth and continued improving performance. The Company has no concerns over the going concern status of its subsidiary and considers it inappropriate to recognise any discounts to the value of its loans. Taking into consideration the realisable value of the subsidiary's assets, diminution in the value of the company's investment in its subsidiary is considered temporary in nature and hence the Company considers no provision is necessary.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of fixed assets

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.

Release of negative goodwill

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.

Intra- group investments and loans

See note 1.19 for details.

3 Turnover and other revenue

	2018	2017
	£	£
Turnover analysed by class of business		
Matchday	**2,862,719**	3,311,832
Media	**2,889,198**	7,904,929
Commercial	**4,420,160**	4,438,259
Other	**-**	472,052
	10,172,077	16,127,072

All turnover arose within the United Kingdom.

4 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	**1,786,044**	1,845,153
Depreciation of tangible fixed assets held under finance leases	**17,140**	4,242
Loss/(profit) on disposal of tangible fixed assets	**42,965**	(3,933)
Amortisation of intangible assets	**361,498**	715,620
Operating lease charges	**25,482**	16,503

5 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	**16,100**	15,550
For other services		
Taxation compliance services	**8,350**	6,450
All other non-audit services	**36,200**	27,800
	44,550	34,250

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Football players and management	**128**	143	-	-
Commercial, sponsorship, media and advertising	**36**	38	-	-
Administration	**24**	23	**4**	4
Building, ground and pitch maintenance	**36**	39	-	-
	224	243	**4**	4

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	**13,873,152**	19,997,039	-	-
Social security costs	**1,776,068**	2,513,337	-	-
Pension costs	**58,123**	129,161	-	-
	15,707,343	22,639,537	-	-

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	**108**	1,595

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	**108**	1,595

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	**446,116**	782,493
Interest on finance leases and hire purchase contracts	**4,447**	3,786
	450,563	786,279

9 Taxation

	2018	2017
	£	£
Current tax		
Adjustments in respect of prior periods	(16,462)	-

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

	2018	2017
	£	£
Loss before taxation	(15,167,046)	(7,058,412)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(2,881,739)	(1,411,682)
Tax effect of expenses that are not deductible in determining taxable profit	(57,821)	(60,864)
Unutilised tax losses carried forward	2,939,560	1,472,546
Adjustments in respect of prior years	(16,462)	-
Taxation credit for the year	(16,462)	-

The adjustment in respect of prior years related to a research and development tax credit, which arose from expenditure in previous years within the club's medical team which are not specifically identified as research costs in the Financial Statements.

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 expected future standard rate of 17% (2017 - 18%), is £36m (2017 - £35m).

10 Intangible fixed assets

Group	Negative goodwill	Player registrations	Total
	£	£	£
Cost			
At 1 April 2017	(13,524,965)	2,211,443	(11,313,522)
Additions - separately acquired	-	1,655,000	1,655,000
Disposals	-	(451,540)	(451,540)
At 31 March 2018	(13,524,965)	3,414,903	(10,110,062)
Amortisation and impairment			
At 1 April 2017	(4,643,084)	1,638,421	(3,004,663)
Amortisation charged for the year	(304,319)	665,817	361,498
Disposals	-	(342,745)	(342,745)
At 31 March 2018	(4,947,403)	1,961,493	(2,985,910)
Carrying amount			
At 31 March 2018	(8,577,562)	1,453,410	(7,124,152)
At 31 March 2017	(8,881,881)	573,022	(8,308,859)

The company had no intangible fixed assets at 31 March 2018 or 31 March 2017.

11 Tangible fixed assets

Group	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2017	55,528,299	5,106,947	215,607	60,850,853
Additions	9,458	257,166	-	266,624
Disposals	-	(103,193)	-	(103,193)
At 31 March 2018	55,537,757	5,260,920	215,607	61,014,284
Depreciation and impairment				
At 1 April 2017	8,193,849	3,281,852	150,750	11,626,451
Depreciation charged in the year	1,302,960	452,736	47,488	1,803,184
Eliminated in respect of disposals	-	(57,986)	-	(57,986)
At 31 March 2018	9,496,809	3,676,602	198,238	13,371,649
Carrying amount				
At 31 March 2018	46,040,948	1,584,318	17,369	47,642,635
At 31 March 2017	47,334,450	1,825,095	64,857	49,224,402

11 Tangible fixed assets (Continued)

The company had no tangible fixed assets at 31 March 2018 or 31 March 2017.

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

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Fixtures and fittings	**150,018**	167,158	**-**	-
Depreciation charge for the year in respect of leased assets	**17,140**	4,242	**-**	-

12 Fixed asset investments

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Investments in subsidiaries	**-**	-	**34,890,101**	34,890,101

Investments are carried at cost less provision for impairment.

The investment in subsidiary represents a 99.99% shareholding in The Blackburn Rovers Football and Athletic Limited, comprising 146,981,759 ordinary £1 shares. The subsidiary is a professional football club with related commercial activities. The registered office is Ewood Park, Blackburrn, Lancashire, BB2 4JF.

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

Movements in fixed asset investments
Company

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 April 2017 and 31 March 2018	**34,890,101**	**3,378,378**	**38,268,479**
Impairment			
At 1 April 2017 and 31 March 2018	**-**	**3,378,378**	**3,378,378**
Carrying amount			
At 31 March 2018	**34,890,101**	**-**	**34,890,101**
At 31 March 2017	**34,890,101**	**-**	**34,890,101**

13 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	**3,438,276**	2,520,176	**106,154,563**	86,842,589
Carrying amount of financial liabilities				
Measured at amortised cost	**19,415,930**	22,951,234	**2,120,925**	1,371,749

14 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	**168,133**	181,337	-	-

Stock recognised during the year as an expenses was £891,526 (2017 - £889,404).

The difference between purchase price and replacement cost of stock is not material.

15 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 as restated £
Amounts falling due within one year:				
Trade debtors	**1,301,129**	836,449	-	-
Amounts owed by group undertakings	-	-	**104,051,518**	85,488,060
Other debtors	**2,510,160**	1,652,240	**2,103,045**	1,354,529
Prepayments and accrued income	**1,183,325**	1,201,935	-	-
	4,994,614	3,690,624	**106,154,563**	86,842,589
Amounts falling due after more than one year:				
Trade debtors	**10,072**	287,482	-	-
Total debtors	**5,004,686**	3,978,106	**106,154,563**	86,842,589

The prior year company amounts have been restated. An amount of £102,500 previously shown within creditors, as amounts due to group undertakings, has been amended to now reduce the amount due by group undertakings in debtors. The directors believe this more accurately reflects the nature of the liability.

16 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 as restated £
Bank loans and overdrafts	18	**14,007,731**	13,934,257	-	-
Obligations under finance leases	19	**32,700**	32,700	-	-
Other borrowings	18	-	1,800,000	-	-
Trade creditors		**1,629,254**	2,774,221	-	-
Amounts due to group undertakings		-	-	**2,103,045**	1,354,529
Other taxation and social security		**2,773,542**	2,252,747	-	-
Other creditors		**127,565**	627,524	-	-
Accruals and deferred income		**3,419,340**	3,591,478	**17,880**	17,220
		21,990,132	25,012,927	**2,120,925**	1,371,749

The prior year company amounts have been restated. An amount of £102,500 previously shown within creditors, as amounts due to group undertakings, has been amended to now reduce the amount due by group undertakings in debtors. The directors believe this more accurately reflects the nature of the liability.

17 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	19	**74,340**	107,040	-	-
Trade creditors		**125,000**	-	-	-
Government grants		**1,125,244**	1,221,904	-	-
Other creditors		-	84,014	-	-
		1,324,584	1,412,958	-	-

18 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank overdrafts	**14,007,731**	13,934,257	-	-
Other loans	-	1,800,000	-	-
	14,007,731	15,734,257	-	-
Payable within one year	**14,007,731**	15,734,257	-	-

18 Loans and overdrafts **(Continued)**

The bank overdraft is 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.

19 Finance lease obligations

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	**32,700**	32,700	-	-
In two to five years	**74,340**	107,040	-	-
	107,040	139,740	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

20 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	**58,123**	129,161

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 £58,123 (2017 - £129,161).

The subsidiary company is a member of the Football League Pension and Life Assurance Scheme, which was closed with effect from 31 August 1999. It is understood that the scheme is in deficit and the group's share of this deficit is currently estimated to be £84,014. Provision has been made for this amount.

21 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
147,495,732 Ordinary shares of £1 each	**147,495,732**	126,723,576

During the year a further 20,772,156 ordinary shares were issued at par of £1 each to fund further investment.

22 Reserves

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

During the year a further £18,892,156 was received as a capital contribution and the total value of £20,772,156 of this reserve converted into share capital.

23 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 £2,118,274.

24 Operating lease commitments

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

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	**37,602**	9,150	-	-
Between two and five years	**68,694**	11,783	-	-
	106,296	20,933	-	-

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Acquisition of tangible fixed assets	**378,933**	-	-	-

26 Events after the reporting date

Since the reporting date, the group's subsidiary has entered into transfer agreements amounting to net transfer fees receivable of £471,056 (2017 - £302,833 payable).

27 Controlling party

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

28 Cash generated from group operations

	2018 £	2017 £
Loss for the year after tax	**(15,150,584)**	7,058,412
Adjustments for:		
Taxation credited	**(16,462)**	-
Finance costs	**450,563**	786,279
Investment income	**(108)**	(1,595)
Loss/(gain) on disposal of tangible fixed assets	**42,965**	(3,933)
Profit/(loss) on disposal of intangible fixed assets	**(1,029,415)**	(11,675,286)
Amortisation and impairment of intangible assets	**361,498**	715,620
Depreciation and impairment of tangible fixed assets	**1,803,184**	1,849,395
Movements in working capital:		
Decrease/(increase) in stocks	**13,204**	(18,856)
(Increase)/decrease in debtors	**(694,553)**	294,316
(Decrease) in creditors	**(1,086,078)**	(1,765,092)
(Decrease) in deferred income	**(96,660)**	(96,660)
Cash absorbed by operations	**(15,402,446)**	(16,974,224)