THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

(Registered no. 53482)

THE BLACKBURN ROVERS FOOTBALL AND ATHLETIC LIMITED

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YEAR ENDED 30 JUNE 2021

COMPANY INFORMATION

YEAR ENDED 30 JUNE 2021

DIRECTORS:	S Waggott (Chief Executive Officer) M Cheston (Finance Director) R Gandhi Babu R D Coar
SECRETARY:	I D Silvester
PRESIDENT:	K C Lee
VICE PRESIDENTS:	G R Root I R Stanners
HON VICE PRESIDENTS:	Rt Hon J Straw
REGISTERED OFFICE:	Ewood Park Blackburn BB2 4JF
COMPANY NUMBER:	53482
BANKERS:	State Bank of India Limited 15 King Street London EC2V 8EA
AUDITORS:	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn BB1 5QB

First team

Adam Armstrong's sensational goal scoring season saw Rovers threaten to make a push for the play-offs, but in an unprecedented campaign, where no supporters stepped foot inside the stadium, injuries, inexperience and inconsistency ultimately proved costly.

Heading into their third successive season back in the Championship, Rovers sought to strengthen a squad that had finished in 11th place the previous campaign.

Three new goalkeepers arrived at Ewood Park, with Thomas Kaminski becoming the first Belgian to play for the club, joining from Gent, whilst Aynsley Pears and Antonis Stergiakis signed from Middlesbrough and Slavia Sofia respectively.

Rovers boosted their defensive department, with Daniel Ayala also arriving from Middlesbrough and full-back Barry Douglas joining on a season-long loan from Leeds United, whilst 18-year-old Tyrhys Dolan became one of the signings of the season, joining on a free transfer from Preston North End.

In a frantic end to deadline day, Rovers completed two further season-long loan deals, with Tom Trybull making the move north from Norwich City, whilst young starlet Harvey Elliott left Liverpool to showcase his talents in the second tier and he didn't disappoint, as the teenage sensation scored seven goals and contributed 11 assists.

Knocked out of the Carabao Cup by Newcastle United at the second round stage, a new possession-based Rovers went goal-crazy during the opening months of the Championship campaign, putting five past Wycombe Wanderers at Ewood Park and four past both Derby County and Coventry City on their travels.

Armstrong was in red-hot form, netting 14 league goals in 14 league games, taking his tally to 50 for the club with a dramatic last-minute winner at home to Millwall in early December, leaving Rovers just two points outside the play-off positions heading into the festive period.

In an unrelenting schedule, Rovers picked up just one win from their remaining seven league matches that month, but got back on track in January – winning three out of four fixtures – including a memorable moment for the returning Bradley Dack, who scored in the win at Birmingham City after 12 months out injured.

Injuries to defensive duo Scott Wharton and Daniel Ayala saw Rovers return to the loan market in January, bringing in promising youngsters Jarrad Branthwaite and Taylor Harwood-Bellis from Everton and Manchester City, whilst Harry Pickering made a permanent move from Crewe Alexandra, before spending the second half of the season back on loan in League One.

However, five straight February defeats and a disastrous run of results which saw Rovers record just one win in 15 games left Tony Mowbray's men well outside the play-off picture. A second ACL injury for fans favourite Dack in mid-March added insult to injury.

To their credit, Rovers finished the season with a flourish, winning their last three Ewood encounters, whilst the awesome Armstrong netted hat-tricks in the successive 5-2 home triumphs over Huddersfield Town and Birmingham City, taking his tally to 29 in all competitions – the highest by a Rovers player since Alan Shearer – which would ultimately lead to his big-money summer switch to Southampton.

Under-23s

A season to savour for Rovers Under-23s, who claimed their highest ever league finish in the top flight of development football.

Billy Barr's side secured a fourth-place finish in Premier League 2 Division 1, having been involved in a title race with champions Manchester City for much of the campaign.

Rovers also retained the Lancashire FA Senior Cup – lifting the county crown for the 20th time in the club's history – courtesy of a 3-1 victory over Wigan Athletic.

Luke Brennan made his first team debut, Hayden Carter enjoyed a hugely successful loan spell at Burton Albion, whilst summer signing Connor McBride contributed 12 goals and six assists, which saw him shortlisted for the PL2 Player of the Season prize.

Under-18s

A sensational second half of the season for Rovers' rising stars, who ended the 2020/21 U18 Premier League season in sixth spot.

Having won just one of their opening 13 league games, Mike Sheron's side then won nine of their last 11, including seven in a row, whilst also completing a league double over local rivals Burnley.

They were unable to repeat their FA Youth Cup heroics from the 2019/20 season, losing 4-1 at home to Arsenal at the fourth round stage, however the Academy youngsters did reach the semi-finals of the inaugural U17 Premier League Cup, before bowing out to Middlesbrough.

Second year scholars Alex Baker, Lenni Cirino, Aidan Dowling, Zak Gilsenan and Jared Harlock were all rewarded with their first professional contracts at the end of the season, whilst Jake Garrett signed a new deal through to June 2025.

Ladies

Rovers Ladies ended their second season in the FA Women's Championship in ninth place, with 18 points from the 20 league games played.

In a difficult campaign, Rovers enjoyed a memorable month in November, picking up seven points from a possible nine and keeping three consecutive clean sheets, which saw Gemma Donnelly named the LMA Manager of the Month and goalkeeper Alex Brooks the FAWC Player of the Month.

Long-serving duo Natasha Fenton and Saffron Jordan both reached 150 appearances for the club, whilst RTC graduate Aimee Hodgson enjoyed a breakthrough season in senior football, making her debut aged 17, signing her first contract and then scoring her first goal in the final fixture against Sheffield United.

Following the emergence and impact of Covid-19 during the final part of the 2019/20 season, the ongoing restrictions put in place by the Government affecting our personal and working lives ultimately led to all of our 2020/21 season being played behind closed doors with no fans inside Ewood Park for that entire period due to the high level of infection rates continuing across the North West.

On 19 September 2020, two Championship fixtures were held in front of 1,000 spectators, as part of an EFL pilot of getting supporters back into stadia, which was seen as the beginning of fans gradually returning. However, a rapid rise of cases from the end of September (eventually resulting in a second nationwide lockdown in November), led to those plans being put on hold.

Unfortunately, on 30 December 2020 no clubs were allowed to host fans for the foreseeable future, with a third national lockdown in January 2021 meaning that fans ultimately were prohibited from attending matches for the rest of the regular season. Following an easing of restrictions in May 2021, the play-offs were able to take place in front of crowds of up to 20% of a stadium's capacity.

Strict Government guidelines and medical protocol continued to be enforced by the club during the 2020/21 season, whilst also carrying out Covid-19 tests on a regular basis in order for football to continue behind closed doors. Due to the hard work of our Covid team, spearheaded by Lynsey Talbot and Ian Silvester, we were able to fulfil all our fixtures without any postponements relating to Covid-19.

In footballing terms, the elongated 2019/20 season resulted in a shortened five-week pre-season break that gave very little time for players to fully recover from the previous campaign and for Rovers' staff to carry out the required preparation plans for pitch and site renovations due to the enforced quick turnaround.

From an economic perspective, the global and national impact of Covid-19 continued, with the UK Government keeping the furlough scheme in place whilst extending the business rates reduction to assist all sectors (especially in tourism, hospitality and leisure) in an attempt to help businesses to survive the extreme turbulence caused by the pandemic.

The direct impact of all the above macro and micro environmental factors resulted in the club incurring more costs by having to put on matches with no fans, resulting in very little or no commercial income being generated other than the 2,500 stalwarts who still renewed their season tickets despite all the economic doom and gloom during the Spring and Summer of 2020.

Can we take this opportunity to thank those fans who were able to financially help the club in unprecedented times, along with the steadfast and fantastic support of our owners who, throughout the pandemic, continued to fully support the club and all its staff even when their other businesses were under severe duress.

With the Government being unwilling to financially support football clubs (even though they wanted us to fulfil our fixtures as part of lifting the country's spirits), we had to carefully navigate through these uncharted waters with assistance from the EFL in terms of accelerated broadcasting monies and a loan that will be fully repaid over the coming years.

On the football front during the 2020 summer transfer window, the first team squad was strengthened with the permanent signing of Daniel Ayala, Thomas Kaminski, Aynsley Pears, Antonis Stergiakis and Tyrhys Dolan, plus the loan arrivals of Tom Trybull (Norwich City), Harvey Elliott (Liverpool) and Barry Douglas (Leeds United).

The squad was also added to in the January 2021 window with the permanent signing of Harry Pickering and two further loan players, Taylor Harwood-Bellis (Manchester City) and Jarrad Branthwaite (Everton).

The 2020/21 season started with a narrow 3-2 home win against Doncaster Rovers in the EFL Cup on 29 August and a narrow 3-2 away league defeat to Bournemouth on 12 September.

In a very up and down season, the team started off in a rich vein of form, including some high-scoring victories, with Adam Armstrong leading the way, ultimately resulting in a goal tally of 29 for the season. However, long-term injuries to Scott Wharton, Daniel Ayala and a second long-term knee injury for Bradley Dack resulted in a poor run of results that saw us eventually end up in 15th position, with a total of 57 points and some way short of where we wanted to be.

Behind the scenes, the investment in the recruitment and scouting department continued, as we tried to search for and secure talent both inside and outside the UK, with notable player acquisitions being Belgium goalkeeper Thomas Kaminski and the highly-talented young player Tyrhys Dolan, who was released by Preston North End.

The restructuring of the analysis department and further improvements in the medical and sports performance teams were also seen as key elements as we continue to improve the club's backroom staff. The purchase of the latest GPS Catapult system would also give improved data statistics on all our players' fitness going forward.

Internal improvements at the Senior Training Centre and our Category One Academy continued, as well as adding the required bio-security equipment and procedures to mitigate the risk of the spread of the virus.

Our Category One Academy programme continues to develop players that fit in with Tony Mowbray's philosophy, with player development being at the forefront of everything we do with our emerging young talent pool.

With John Buckley and Joe Rankin-Costello both involved in the 2020/21 campaign and others out on loan increasing their playing experience, we now have a good crop of young players who we hope will be ready to step up and become more involved in the first team squad during the 2021/22 season.

We also have a very strong and exciting group of young players at Under-18 level that gives us further encouraging signs of the ongoing pipeline of talent coming out of the Academy.

A mention to the Under-23s who finished fourth and the Under-18s securing sixth position in their respective leagues, whilst our Ladies team finished ninth in the FA Women's Championship.

Looking towards the future and as the club comes out of the inflicted Covid-19 survival mode, the emphasis and focus continues to be on trying to reinstate lost commercial revenue streams. Key to this will be fan engagement, community integration and attracting new Next Generation supporters. The remit of the club's Integration & Development Manager, working closely with our award-winning Community Trust, is to widen our reach into relatively untapped community groups and business networks across the area and region, and green shoots of their combined efforts are starting to be seen.

Special praise must be given to our Community Trust who, under the leadership of CEO Gary Robinson, demonstrated outstanding community commitment through a range of critical projects, which were aimed at supporting the most vulnerable members of our community during the Covid-19 lockdown and restrictions. We should commend them for their inspiring efforts and achievements in the most difficult of circumstances.

The owners and the board would like to place on record our thanks and appreciation to all those who have supported the club, be they shareholders, corporate clients and partners. We would also like to thank those special fans who purchased a 2020/21 Season Pass in the full knowledge that they would most likely not be able to attend live games at Ewood Park. This gesture was a great help in contributing towards the club's stability during these unprecedented times.

A particular mention should go to our staff (furloughed and non-furloughed), for their hard work, loyalty and dedication to the club, whether that be working from home or their office in what have been very unsettling times for them.

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

S Waggott

Steve Waggott
Chief Executive Officer
6 December 2021

Principal activities

The principal activity of the company throughout the year continues to be that of a professional football club with related commercial activities.

Business review

For the year to 30 June 2021 the company recorded an operating loss before trading of intangible/tangible assets of £15.6m (2020 - loss £20.1m). A loss on trading of intangible assets of £3.5m (2020 - loss £1.2m) and a profit on trading of tangible assets of £13.0m (2020 nil) brought the pre-tax loss to £6.6m (2020 - loss £21.9m). The key performance indicators are as shown in the table below;

	2020/21 £m	2019/20 £m	2018/19 £m	2017/18 £m	2016/17 £m
Turnover	14.5	13.5	16.7	9.0	14.9
Other operating income	3.3	0.6	0.0	0.0	0.0
Wages & salaries	25.7	25.6	22.4	16.8	22.0
Other operating expenses	7.7	8.6	10.4	8.9	5.9
Operating loss before trading of intangible/tangible assets	(15.6)	(20.1)	(16.1)	(16.7)	(13.0)
Interest payable	0.5	0.6	0.5	0.4	0.6
Loss before trading of intangible/tangible assets	(16.1)	(20.7)	(16.6)	(17.1)	(13.6)
Tangible fixed asset trading	13.0	0	0	0	0
Intangible fixed asset trading	(3.5)	(1.2)	(1.6)	0.3	9.8
(Loss) / Profit before tax	(6.6)	(21.9)	(18.2)	(16.8)	(3.8)
Net cash movements (out) / in	0.7	0.4	(3.0)	0.5	2.2
Closing cash and cash equivalent	(13.1)	(13.9)	(14.3)	(11.2)	(11.7)
Finishing position in the:					
EFL League 1		-	-	2nd	-
Championship	15th	11th	15th	-	22nd
Average league attendance	0	13,836	14,508	12,832	12,688
Wage to turnover %	177.2%	189.6%	134.1%	186.7%	147.7%
Number of live TV games	7	5	7	4	5

The loss for the year has decreased by £15.3m from last year. An increase in turnover of £1.0m was offset by an increase in the cost of player trading of £2.3m, increase in wages and salaries of £0.1m a decrease in operating expenses of £0.9m and an increase in tangible fixed asset trading of £13.0m. This being the exceptional profit on sale of the Senior training ground and houses.

Average league attendance for 2020/21 was nil, all games were played behind closed doors due to the Covid-19 pandemic.

Turnover

Turnover has increased to £14.5m (2020 - £13.5m); match day income has decreased by £1.8m (2021 - £0.8m: 2020 - £2.6m), media income has increased by £1.9m (2021 £8.7m: 2020 - £6.8m), and commercial and other income have increased by £0.8m (2021 £4.8m: 2020 - £4.0m).

Operating expenses

Operating expenses reflected an increase in wages and salaries of £0.1m (2021 - £25.7m: 2020 - £25.6m). Other operating expenses reduced to £7.7m, (2020 - £8.6m).

Trading of intangible fixed assets

The cost of intangible fixed asset trading was £3.5m (2020 – £1.2m), an increase of £2.3m. Included in this was amortisation of players' transfer costs which decreased by £0.2m to £4.1m (2020 - £4.3m). Profit on sale of players during the year totalled £0.6m (2020 - £3.1m).

Exceptional trading of tangible fixed assets

Profit on sale of tangible fixed assets was £13.0m (2020 – nil), wholly due to the sale of the Senior training ground and houses.

Cash flow

The company expended cash of £21.0m on operating activities compared to £12.1m in 2020. Receipts from player sales of £0.3m (2020 - £3.7m) were offset by £4.2m (2020 - £5.2m) for the acquisition and cost of disposal of player registrations and tangible fixed assets. There was a decrease of £0.1m in interest charges, which has resulted in a net inflow in cash of £0.7m in the year (2020 – inflow £0.4m).

Share capital issue

During the year the company converted £29.583m of parent company loan into equity shares to comply with Financial Fair Play rules surrounding owner funding.

Principal risks and uncertainties

The board constantly assesses the threats to the business, by close monitoring of the football sector at its level, and via communication with the company's owners.

Business risks identified include reduced income arising from uncertainty as to progress of the company in the various competitions it participates in. During the year under review, the company has traded without restriction under Championship Profit and Sustainability rules.

Covid-19 continues to impact our operations and relationships with all our stakeholders, with continuing uncertainty as the prospect of further lockdowns, new variants of the virus, the efficacy of vaccinations, the success of the vaccination program and, last but not least, the confidence of all our stakeholders as society edges towards "normality".

The company is regulated by the rules of the FA, Football League, Premier League, UEFA and FIFA. Any change to the regulations of these bodies could have an impact on the company as they cover areas such as; competition format, distribution of media income, player eligibility and operation of the transfer market. The board ensures compliance with all relevant rules and regulations, and monitors the impact of any potential changes.

M Cheston
Finance Director
6 December 2021

Directors

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

The directors present their report and financial statements for the year ended 30 June 2021.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (The Financial Reporting Standard in the UK and Republic of Ireland).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Proposed dividends

The directors do not recommend the payment of a dividend (2020 - nil).

Employees and environmental policies

The company is committed to ensuring that it complies with all relevant legislation, in connection with unlawful or unfair discrimination of any kind in its business. The company's employment policies are designed to retain and motivate staff at all levels. During the year to 31 December 2020, the group maintained its 100% waste management recycle percentage, reducing its impact on the environment by handling 87 tonnes less waste (largely due to COVID 19) and saving landfill tax. The company constantly monitors energy saving opportunities, and continues to implement policies.

Provision of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and PM+M Solutions for Business LLP will therefore continue in office.

This report was approved by the board on 6 December 2021 and signed on its behalf by

M Cheston

M Cheston
Finance Director

REGISTERED OFFICE
Ewood Park
Blackburn
BB2 4JF

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

Opinion

We have audited the financial statements of The Blackburn Rovers Football and Athletic Limited (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102. The Financial Reporting Standard in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK), (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of our audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team and relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;

- any matters we identified having obtained and reviewed the company's documentation of their policies procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

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

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

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

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

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

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

Use of our report

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

PM+M Solutions for Business LLP

David Gorton FCA CTA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP
Statutory Auditors
6 December 2021
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Note	2021 £ Operations excluding trading of tangible/ intangible fixed assets	2021 £ Trading of tangible/ intangible fixed assets	2021 £ Total	2020 £ Total
TURNOVER	4	**14,488,375**	**-**	**14,488,375**	13,522,320
Other operating income		**3,287,417**	**-**	**3,287,417**	576,892
Operating expenses - non exceptional		**33,390,306**	**4,141,587**	**37,531,893**	38,580,276
OPERATING LOSS	5	**(15,614,514)**	**(4,141,587)**	**(19,756,101)**	(24,481,064)
Profit on disposal of tangible fixed assets	29	**-**	**13,029,270**	**13,029,270**	-
Profit on disposal of intangible fixed assets	8	**-**	**622,448**	**622,448**	3,143,857
LOSS BEFORE INTEREST AND TAXATION		**(15,614,514)**	**9,510,131**	**(6,104,383)**	(21,337,207)
Net interest payable	9			**(487,076)**	(613,500)
LOSS BEFORE TAXATION				**(6,591,459)**	(21,950,707)
Taxation	10			**9,352**	1,431
LOSS FOR THE YEAR				**(6,582,107)**	(21,949,276)

The notes on pages 19 to 32 form an integral part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible fixed assets	11		6,151,583		8,696,661
Tangible fixed assets	12		24,788,470		30,071,027
Investments	13		100		100
			30,940,153		38,767,788
CURRENT ASSETS					
Stock	14	69,567		121,426	
Debtors - amounts falling due within one year	15	3,151,957		1,690,126	
- amounts falling due after one year	16	17,300,355		24,531	
Cash at bank and in hand	17	370,302		184,579	
		20,892,181		2,020,662	
CREDITORS:					
- amounts falling due within one year	18	156,397,062		170,786,030	
NET CURRENT LIABILITIES			(135,504,881)		(168,765,368)
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES			(104,564,728)		(129,997,580)
CREDITORS:					
- amounts falling due after one year	19		5,609,193		3,080,574
DEFERRED GRANTS	22		811,099		907,759
NET LIABILITIES			(110,985,020)		(133,985,913)
CAPITAL AND RESERVES					
Called up share capital	23		176,571,484		146,988,484
Revaluation reserve	24		1,295,825		1,295,825
Profit and loss account	24		(288,852,329)		(282,270,222)
SHAREHOLDERS' DEFICIT			(110,985,020)		(133,985,913)

The financial statements were approved by the board on 6 December 2021 and signed on its behalf by:

M. Chest

M Cheston, Director

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

The notes on pages 19 to 32 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

	Note	Share capital £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 July 2020		**146,988,484**	**1,295,825**	**(282,270,222)**	**(133,985,913)**
Comprehensive loss for the year					
Loss for the year		-	-	(6,582,107)	(6,582,107)
Issue of share capital	23	29,583,000	-	-	29,583,000
At 30 June 2021		**176,571,484**	**1,295,825**	**(288,852,329)**	**(110,985,020)**

	Share capital £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 July 2019	146,988,484	1,295,825	(260,320,946)	(112,036,637)
Comprehensive loss for the year				
Loss for the year	-	-	(21,949,276)	(21,949,276)
At 30 June 2020	146,988,484	1,295,825	(282,270,222)	(133,985,913)

The notes on pages 19 to 32 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2021

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(6,582,107)	(21,949,276)
Adjustments for:		
Amortisation of intangible fixed assets	4,141,587	4,339,940
Profit on sale of intangible fixed assets	(622,448)	(3,143,857)
Depreciation of tangible fixed assets	1,237,516	1,286,410
Profit on sale of tangible fixed assets	(13,029,270)	(9,819)
Release of deferred grants	(96,660)	(96,660)
Net interest paid	487,076	613,500
Decrease in stock	51,859	350,606
(Increase) / Decrease in amounts owed by group undertaking	(801,776)	2,146,446
(Increase) / Decrease in debtors	(347,941)	1,017,201
(Decrease) / Increase in creditors	(5,349,714)	3,384,571
Net cash outflow from operations	(20,911,878)	(12,060,938)
Net Interest paid	(487,076)	(613,500)
Net cash outflow from operating activities	(21,398,954)	(12,674,438)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire intangible fixed assets	(4,039,355)	(4,622,726)
Payments to acquire tangible fixed assets	(178,119)	(589,328)
Receipts from disposal of intangible fixed assets	334,510	3,660,394
Receipts from disposal of tangible fixed assets	-	87,838
Net cash inflow from investing activities	(3,882,964)	(1,463,822)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in amounts owed to group undertakings	18,823,932	14,118,151
Increase in other loans	7,288,750	584,000
Repayment of other loans and hire purchase creditor	(93,931)	(169,559)
Net cash inflow from financing activities	26,018,751	14,532,592
Increase in cash and cash equivalents	736,833	394,332
MOVEMENT IN CASH AND CASH EQUIVALENTS IN THE YEAR		
Increase in cash and cash equivalents	736,833	394,332
At 1 July 2020	(13,876,790)	(14,271,122)
At 30 June 2021	(13,139,957)	(13,876,790)

The notes on pages 19 to 32 form an integral part of these financial statements.

1 COMPANY INFORMATION

The company is a private company, limited by shares and incorporated in England and Wales. The registered office is Ewood Park, Blackburn, BB2 4JF. The principal activity is that of a professional football club with related commercial activities.

2 ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The financial statements contain information about The Blackburn Rovers Football and Athletic Limited as an individual company and do not contain consolidated financial information as the parent company of a group. The company has taken advantage of the exemption available to it under s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included within the consolidated financial statements of Venkys London Limited.

The principal accounting policies applied by the company are described below.

Going concern

At 30 June 2021 the company had net current liabilities of £135,504,881 and reported an operating loss, before changes in tangible and intangible fixed assets, of £15,614,514 for the year. In common with many football clubs, the company may continue to make operating losses and incur net cash outflows depending on a number of variables including the success of the team in league and cup competitions and the level of transfer activity. The company is funded through a bank overdraft facility, and shareholder loans, and in view of the current financial position the company remains reliant on its ability to maintain existing and obtain additional funding as necessary.

In managing the finances of the company the directors remain mindful of the need to ensure the company will comply with the Championship Profitability and Sustainability rules.

The bank facility with SBI is due to expire on 25 May 2022. The directors believe the facility will be renewed. As part of the directors' assessment of going concern they have prepared detailed cash flow forecasts for the period to the end of June 2023. These forecasts indicate that the company will require significant funding in addition to the current facilities available to the company.

The amount of additional funding required will be dependent on the net proceeds of any player trading, on field performance, and availability of bank facilities. In view of this the directors have received confirmation from the ultimate parent company (Venkateshwara Hatcheries Pvt. Ltd) that it has sufficient funds and is willing to provide such additional financing as may be required to fund the company, to the extent necessary for the company to continue to trade and to pay its liabilities as and when they become due, for the twelve months following approval of these accounts and thereafter for the foreseeable future, even in the event of the bank facility not being renewed.

2 ACCOUNTING POLICIES - continued

On the basis of the assessment outlined above the directors have a reasonable expectation that the company 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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Turnover and income recognition

Turnover is stated net of Value Added Tax and amounts due to the Premier League, Football League, Football Association and visiting football clubs. It includes gate receipts, executive boxes, sponsorships, merchandising, advertising, television fees, Football / Premier League pool and sundry related income.

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible fixed assets

The costs associated with the acquisition of new players' registrations are capitalised as intangible fixed assets. These costs are fully amortised, in equal annual instalments, over the period of the player's initial contract. The external costs of securing the extension or renewal of an existing contract both for internally produced and externally purchased players are capitalised and amortised over the period of the players' new contract.

Signing on fees and other contingent fees payable to players as a result of the occurrence of one or more uncertain future events are expensed when they occur.

Impairment

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of income-generating units are allocated to the carrying amount of the intangible fixed assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

2 ACCOUNTING POLICIES - continued

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful economic lives on the following bases:

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

No depreciation has been provided on freehold land.

Revaluation of tangible fixed assets

As permitted by the provisions of FRS 102 the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued in 1995 and will not update that valuation.

Fixed asset investments

Investment in subsidiary is measured at cost less any accumulated impairment losses. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stock

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2 ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Revenue grants are credited to profit and loss account in the same period in which the revenue expenditure to which they relate is charged. Capital based grants are credited to revenue over the life of the asset to which they relate. The deferred element of grants is included as deferred income.

The useful lives are as follows:

Freehold buildings	50 years
Fixtures and fittings	10 years

2 ACCOUNTING POLICIES - continued

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Pensions

The company is making contributions in respect of its share of the deficit of the defined benefit section of the Football League Pension and Life Assurance Scheme (the "Scheme").

Under the provisions of FRS 102 the Scheme is treated as a defined benefit multi-employer scheme. The financial statements provide for the company's estimated share of the Football League Limited Pension and Life Assurance deficit. The value provided is based on the current actuarial valuation dated 31 August 2020. Contributions are made as advised by the scheme actuary.

The company also makes contributions to defined contribution pension schemes for certain employees. The employer's contributions are charged to the profit and loss account in the year in which the liability to pay arises.

Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments in the balance sheet.

Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

Operating Costs

The directors consider that all operating costs incurred can most accurately be categorised as administration costs.

3 JUDGMENT IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the company's accounting policies, which are described above, management has made some judgments that have significant effect on the amounts recognised in the financial statements. These also include key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date. The main areas of judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to revenue recognition of central distributions from football authorities and impairment of fixed assets.

4 TURNOVER

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Matchday	776,363	2,653,363
Media	8,910,744	6,823,252
Commercial	4,793,384	3,976,323
Other	7,884	69,382
	14,488,375	13,522,320

5 OPERATING LOSS

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

		2021	2020
		£	£
Amortisation of intangible fixed assets		4,141,587	4,339,940
Depreciation of tangible fixed assets:	owned by the company	1,189,051	1,243,450
	under hire purchase	48,465	42,960
Profit on disposal of tangible fixed assets		(13,029,270)	(9,819)
Auditors' remuneration:	audit work	34,250	35,250
	non audit work	23,348	7,563
Operating lease payments		33,146	29,956
Furlough income		(730,417)	(576,892)
Insurance claim receivable		(2,557,000)	-
Deferred grants release		(96,660)	(96,660)

6 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	22,401,329	22,367,552
Social security costs	2,751,222	3,098,277
Other pension costs	499,711	133,521
	25,652,262	25,599,350

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

	2021	2020
	No.	No.
Senior football players and management	82	81
Academy football players and management	60	64
Commercial, sponsorship, media and merchandising	22	25
Administration	22	23
Building, ground and pitch maintenance	31	32
	217	225

7 DIRECTORS' REMUNERATION

Emoluments for services as directors:

	No. of directors	Salaries	Pension	Benefits	Total
		£	£	£	£
Executive directors:					
2021	**3**	**489,450**	**17,514**	**7,882**	**514,846**
2020	3	469,049	17,515	9,612	496,176

During the year 2 (2020 - 2) directors were members of a money purchase pension scheme.

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

	2021	2020
	£	£
Remuneration for qualifying services	**290,413**	270,682
Company pension contributions	**1,314**	1,315

8 TRANSFER FEES AND ASSOCIATED COSTS

	2021	2020
	£	£
Amortisation of intangible fixed assets	**(4,141,587)**	(4,339,940)
Profit on disposal of intangible fixed assets	**622,448**	3,143,857
	(3,519,139)	(1,196,083)

9 NET INTEREST PAYABLE

	2021	2020
	£	£
Interest receivable		
Short term deposits and other interest	**13,616**	80
Interest payable		
On bank overdrafts and other loans	**(471,679)**	(575,107)
Hire purchase interest	**(29,013)**	(38,473)
	(500,692)	(613,580)
Net interest payable	**(487,076)**	(613,500)

10 TAXATION

	2021	2020
	£	£
The tax credit comprises:		
UK corporation tax		
Adjustment in respect of prior year	9,352	1,431
Tax on loss on ordinary activities	9,352	1,431

The actual tax charge for the current year differs from the standard rate of 19% (2020 - 19%) for the reasons set out in the following reconciliation:

	2021	2020
Loss on ordinary activities before tax	(6,591,459)	(21,950,707)
Tax on loss on ordinary activities at 19% (2020 - 19%)	(1,252,377)	(4,170,634)
Effects of :		
Expenses not deductible for corporation tax purposes	57,886	16,316
Non-taxable income	(18,365)	(18,365)
Adjustment in respect of prior years	(9,352)	(1,431)
Chargeable gain indexation	(796,173)	-
Deferred tax not recognised	2,077,165	4,172,683
Other permanent difference	(68,135)	-
Total amount of tax	(9,352)	(1,431)

Taxable losses from previous years are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of those losses as the company does not anticipate taxable profits to arise within the foreseeable future. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 25% (2020 - 19%) is £66m (2020 - £48m). The standard rate of corporation tax in the UK will change to 25% for periods commencing 1st April 2023.

11 INTANGIBLE FIXED ASSETS

		Player registrations
		£
Cost	At 1 July 2020	17,236,407
	Additions	1,596,509
	Disposals	(2,444,921)
	At 30 June 2021	16,387,995
Amortisation	At 1 July 2020	8,539,746
	Charge for the year	4,141,587
	On disposals	(2,444,921)
	At 30 June 2021	10,236,412
Net book value	**At 30 June 2021**	6,151,583
	At 1 July 2020	8,696,661

12 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 July 2020	46,009,140	9,494,361	243,538	55,747,039
Additions	73,619	100,470	51,600	225,689
Disposals	(6,747,804)	-	-	(6,747,804)
At 30 June 2021	39,334,955	9,594,831	295,138	49,224,924
At cost	4,259,955	9,594,831	295,138	14,149,924
At valuation - 1995	35,075,000	-	-	35,075,000
	39,334,955	9,594,831	295,138	49,224,924
Depreciation				
At 1 July 2020	17,579,015	7,882,793	214,204	25,676,012
Charge for the year	859,561	365,130	12,825	1,237,516
On disposals	(2,477,074)	-	-	(2,477,074)
At 30 June 2021	15,961,502	8,247,923	227,029	24,436,454
Net book value				
At 30 June 2021	23,373,453	1,346,908	68,109	24,788,470
At 1 July 2020	28,430,125	1,611,568	29,334	30,071,027

The net book value of assets held under hire purchase contracts is £315,514 (2020 - £316,409), depreciation for the year on assets held under hire purchase contracts was £48,465 (2020 - £42,960). Included within freehold land and buildings is land at a value of £2,870,000 which has not been depreciated.

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

	2021	2020
	£	£
Deemed historical cost of revalued assets	34,099,059	34,099,059
Cumulative depreciation based on deemed historical cost	(14,983,590)	(14,324,434)
Deemed historical cost net book value	19,115,469	19,774,625

13 FIXED ASSET INVESTMENT

	Shares in Group Undertakings
	£
Cost	100
At 30 June 2021	100

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

14 STOCK

	2021	2020
	£	£
Goods held for resale	69,567	121,426

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £651,431 (2020 - £584,481).

15 DEBTORS - amounts falling due within one year

	2021	2020
	£	£
Trade debtors	952,418	299,899
Football related debtors	907,821	595,707
Amounts owed by group undertaking	801,776	86,416
Other debtors	102,990	35,302
Social security and other taxes	63,969	197,376
Prepayments and accrued income	322,983	475,426
	3,151,957	1,690,126

16 DEBTORS - amounts falling due after more than one year

	2021	2020
	£	£
Amounts owed by group undertaking	17,300,000	-
Football related debtors	355	24,531
	17,300,355	24,531

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

17 CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	370,302	184,579
Bank overdraft	(13,510,259)	(14,061,369)
	(13,139,957)	(13,876,790)

18 CREDITORS - amounts falling due within one year

	2021	2020
	£	£
Bank overdraft	**13,510,259**	14,061,369
Amounts owed to parent undertaking	**130,169,803**	140,928,871
Other Loan	**2,972,366**	97,300
Trade creditors	**990,970**	1,737,278
Football related creditors	**3,603,492**	4,288,005
Social security and other taxes	**3,534,257**	5,368,309
Other creditors	**141,301**	67,242
Pension deficit	**123,906**	118,012
Hire purchase creditors	**53,039**	93,931
Accruals and deferred income	**1,297,669**	4,025,713
	156,397,062	170,786,030

The amounts due to the parent company of £130,169,803 (2020 - £140,928,871) have been treated as falling due within one year as this is the technical legal status of the loans at the balance sheet date. As described in note 2, subsequent to the year end the parent company has confirmed that, as in previous years, it will provide sufficient financing to support the company for the twelve months following approval of these accounts.

The amounts owed to the parent undertaking above are interest free with no fixed date for repayment.

The bank overdraft facility expires on 25 May 2022. The directors believe the facility will be renewed on acceptable terms and conditions.

The bank overdraft is secured by a corporate guarantee from the holding company, Venkys London Limited. Interest is paid upon the facility at 2.65% over 6 month GBP LIBOR.

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

19 CREDITORS - amounts falling due after more than one year

	2021	2020
	£	£
Social Security and other taxes	**-**	355,962
Pension deficit	**414,435**	179,736
Other Loans	**4,900,384**	486,700
Hire purchase creditors	**69,374**	74,843
Football related creditors	**225,000**	1,983,333
	5,609,193	3,080,574

Other loans are interest free advances against future distributions from the EFL, part of which is disclosed within creditors - amounts falling due within one year. There are two loans.
The first loan of £584,000 is repayable in 6 equal half yearly instalments commencing October 2021.
The second loan of £7,288,750 is repayable in 6 equal half yearly instalments commencing in August 2021.

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

20 FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Financial assets measured at fair value through profit or loss	**370,302**	184,579
Financial assets that are debt instruments measured at amortised cost	**2,765,360**	1,041,855
	3,135,662	1,226,434
Financial liabilities measured at amortised cost	**155,085,197**	168,221,259

Financial assets measured at fair value through profit or loss comprise cash and bank balances.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise creditors, excluding deferred government grants and tax and social security.

21 HIRE PURCHASE CREDITORS

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Within 1 year	**53,039**	93,931
Between 1 and 2 years	**33,551**	41,146
Between 2 and 5 years	**35,823**	33,697
	122,413	168,774

22 DEFERRED GRANTS

	2021	2020
	£	£
Outstanding at beginning of year	**907,759**	1,004,419
Released to profit and loss account in the year	**96,660**	96,660
Outstanding at end of year	**811,099**	907,759
Amount to be released within one year	**96,660**	96,660

23 CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Allotted, called up - fully paid		
176,571,484 (2020 - 146,988,484) ordinary shares of £1 each	**176,571,484**	146,988,484

29,583,000 ordinary £1 shares were issued at par during the year on conversion of part of the amount due to parent undertaking.

24 RESERVES

Profit and loss reserve:

The profit and loss reserve represents cumulative profits or losses. The current year profit and loss reserve amounts to a deficit of £288,852,329 (2020 - £282,270,222)

Revaluation reserve:

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings. The current year revaluation reserve amounts to £1,295,825 (2020 - £1,295,825)

25 PENSIONS

Pension contributions are paid by the company into the personal pension schemes of certain employees. The assets of their schemes are held separately from those of the company in independently administered funds. The contributions paid during the year amounted to £499,711 (2020 - £133,521), of which £30,640 (2020 - £31,846) was outstanding at year end.

The company is a participating employer in the Football League Limited Pension and Life Assurance Scheme (the "Scheme"). Accrual of benefits under a final salary basis was suspended with effect from 31 August 1999 following an actuarial review, which revealed a substantial deficit. The company was advised of its share of the deficit in the Scheme and the contributions required to make good that deficit, based on the latest actuarial valuation at 1 September 2020. The increase in the deficit in the year, which has been charged as an expense, amounted to £358,605 (2020 - £NIL). The company's share of this deficit is currently estimated to be £538,341 (2020 - £297,748). This deficit has been provided for in these accounts and is included in creditors.

26 POTENTIAL FUTURE PLAYER REGISTRATION PAYMENTS

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due, dependent upon the success of the team and/or the individual players. Similar terms exist in contracts for sales of players' registrations.

Any amount payable in relation to playing appearance and team performances are recognised when the event occurs. The maximum potential payment for amounts due to football clubs and other third parties for first team players is £4.8m (2020 - £5.0m).

27 CAPITAL COMMITMENTS

At 30 June 2020 the company had capital commitments as follows:

	2021	2020
	£	£
Contracted for but not provided in these accounts net of grants receivable	**264,261**	88,313

28 OTHER COMMITMENTS

At 30 June 2020 the company had future minimum lease payments under non cancellable operating leases as follows:

	2021	2020
	£	£
Within 1 year	398,123	28,600
Between 1 and 5 years	483,055	17,178

29 RELATED PARTY TRANSACTIONS

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

The company received rent and other income of £135,110 (2020 - £180,195) from Blackburn Rovers Community Trust. In addition certain expenses were incurred and recharged to Blackburn Rovers Community Trust. At the balance sheet date an amount of £24,558 was owed by the Trust to the company (2020 - £937 creditor) in respect of these transactions, and is disclosed within other creditors / debtors. At 30 June 2021 Blackburn Rovers Community Trust had seven trustees, of which two were directors of The Blackburn Rovers Football and Athletic Limited.

The company received advertising income from Venkateshwara Hatcheries Pvt. Ltd. of £795,000. At the balance sheet date this is unpaid and is included within debtors - amounts owed by group undertaking.
Venkateshwara Hatcheries Pvt. Ltd is the ultimate parent company.

In June 2021 the company sold the Senior training ground and related property for £17,300,000 to Venkateshwara London Limited, a subsidiary of the ultimate parent company, Venkateshwara Hatcheries Pvt. Ltd. The proceeds are due for settlement by 30 June 2023 and carry interest at 4% above the State Bank of India base rate and interest arising on the loan in the period was £13,603. The company has entered into a lease to continue to use the Senior training ground and rent of £6,827 arose for the period to 30 June 2021.

30 PARENT COMPANY

The company is a subsidiary undertaking of Venkys London Limited, with Venkateshwara Hatcheries Pvt. Ltd. being the ultimate parent company, which is incorporated in India. Ultimate control is held by Mrs Anuradha J Desai, Mr B Venkatesh Rao and Mr B Balaji Rao.

The largest group in which the results of the company are consolidated is that headed by Venkys London Limited, incorporated in the United Kingdom. The consolidated financial statements of this group are available to the public and obtainable from Companies House.

31 POST BALANCE SHEET EVENTS

Since the balance sheet date the company has entered into transfer agreements amounting to net transfer fees receivable of £9.2m (2020 - payable £0.7m).

32 CONTINGENT ASSET

The company had taken out an insurance policy to cover the loss of profits due to business interruption as a consequence of infectious disease and has made a claim under the terms of the policy. The precise value of the ultimate receipts under this policy in respect of the period to 30 June 2021 is under discussion with the insurance company but at the time of signing, an agreement has been reached for a total of £2,557,000 and the directors do not consider that any further amounts receivable for this period will be material.