The Burnley Football & Athletic Company Limited

Directors' report and financial statements

Registered number 054222

30 June 2012

Contents

Officers and professional advisers

Directors	J Banaszkiewicz	(Joint Chairman)
	M Garlick	(Joint Chairman)
	BC Kilby	
	CJ Holt	
	B Flood	
Registered office	Turf Moor Harry Potts Way BURNLEY BB10 4BX	
Registered number	054222	
Auditor	KPMG LLP Edward VII Quay Navigation Way PRESTON PR2 2YF	
Bankers	Lloyds TSB Group plc Manchester Road BURNLEY BB11 1EN	

Chairman's report

On behalf of the Board of Directors we are pleased to present the annual report and accounts for the year ending 30 June 2012

On the pitch, it was an 'up and down" year which kept us on the edge of our seats After challenging for a play-off place in February and March, we finished in 13th place in the Championship, with some patchy form at Turf Moor counterbalanced by some excellent results away from home Though our final position did not match our aspirations, we continued to work towards our goals

As part of this, there were some major changes to the squad, with 13 players transferred out or allowed to leave during the year To replace these, we have recruited 5 players on permanent contracts or long term loan for the 2012/13 season in addition to the 8 players recruited during the 2011/12 season We also promoted 10 players from the youth squad over the course of the year as we continued our policy of transforming the squad into a younger, more vibrant one to match the board's ethos

This player trading remains a cornerstone of how the Club balances its books Despite recording an operating loss for the year, the transfer fee we received for Jay Rodriguez meant we were able to convert this loss for the year into a profit and provide the basis for supporting ourselves in 2012/13

Looking forward, the reduction in our income in 2012/13 and 2013/14, now that the initial Premier League parachute payment period has ended, and the introduction of the Football League's Financial Fair Play rules, mean that we need to continue to plan carefully for the future and act accordingly, to ensure that we operate within the rules and within the income we generate

Your board are true Clarets fans and we are committed to supporting the team and the manager to give us the best chance of achieving the success we all feel the Club deserves

We thank you all for your support and our fellow directors and staff for their hard work during the year and our special thanks go to Barry Kilby for his leadership of the Club over 13 eventful years

John Banaszkiewicz
Chairman

Mike Garlick
Chairman

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

Principal activities

The principal activity of the Company continues to be the operation of a professional football club

Business review

As last year, it is worth starting with a look at our profit and loss account over the last 5 years to put the review of the performance of our business this year into context An extract is summarised in the table below (£000s)

Year to 30 June	Turnover	Staff Costs	Other Operating Charges	Operating profit/(loss)	Profit/(loss) on Asset Trading	Interest Payable	Profit/(loss) before tax
2008	8,570	(9,763)	(4,142)	(6,739)	5,532	(553)	(1,760)
2009	11,192	(13,427)	(4,694)	(8,914)	(55)	(2,745)	(11,714)
2010	45,377	(22,372)	(7,225)	10,784	4,781	(1,118)	14,447
2011	27,376	(19,392)	(6,734)	(3,626)	512	(907)	(4,021)
2012	**23,029**	**(16,988)**	**(5,375)**	**(4,411)**	**8,542**	**(963)**	**3,168**

As we can see from the table, revenue has fallen again this year, primarily due to the further reduction in parachute payments from the FA Premier League, although our match day and commercial revenues also fell as a result of the recession and falling gates Our internet income was an exception, posting appreciably increased revenues from the revamped "Clarets Player" product Looking forward, we are very aware that our parachute payment income will fall much more significantly this (12/13) season as we move into the secondary payment period, and this forms the major challenge to be addressed this year

We noted in our last review that the level of staff costs was not sustainable on Championship revenues and this remains the case Although we made some progress in reducing these costs during the year (by £2 4 million), there is still much work to be done to trim the wage bill, especially in the light of the above noted fall in parachute payments, and we are continuing to address this

Progress has also been made in reducing Other Operating Charges, which fell by £1 4 million or 20% year on year Notably, some better purchasing deals allied with efficiency gains meant our catering margins held up very well compared to previous years Again, we are continuing to examine all areas of our cost base to ensure this is controlled and appropriate to our Championship status

Despite our efforts to match our costs to our revenues, we are again posting an operating loss, this year of £4 4 million, taking total operating losses over the last five years to £12 9 million, including the £10 8 million profit we made in our Premier League year

Player trading remains vital to us in bridging that gap between the revenue we are able to generate and the cost base needed to support a competitive Championship football club We have been particularly successful in generating funds by player trading this year and this has enabled us to further strengthen the playing squad following the year end, as well as helping to "bridge the gap' for the coming year

However, we are also reliant on loans to enable us to pay our way This year we have started to see a change in the balance of these loans away from external sources towards directors' loans, and this will gather pace in the coming year so that within the foreseeable future we will be free of external borrowings However, the consequence is that we are entirely dependent upon the board and what they are allowed to do to support the club under the conditions of the Football League Financial Fair Play rules These rules gradually tighten over the next few years and the sanctions for non compliance include a transfer embargo and substantial fines

It is therefore essential that, over the coming 12 months we continue along the path towards living within our means while providing the manager with the resources he needs to compete successfully in the Championship

Directors' report *(continued)*

Business review *(continued)*

During the year, Mr B C Kilby resigned as Chairman and Mr M Garlick and Mr J Banaszkiewicz were elected as Joint Chairmen

Post balance sheet events review

Following the year end, the club acquired the player registrations of Jason Shackell, George Porter, Sam Vokes and Brian Stock on permanent contracts and Joseph Mills on a long term loan agreement

Proposed dividend

The directors do not recommend the payment of a dividend *(2011 £nil)*

Directors

The directors who held office since the previous financial year end are as follows

M Garlick (Jt Chairman)
J Banaszkiewicz (Jt Chairman)
B C Kilby
CJ Holt
B Flood

In accordance with the Company's Articles of Association, Mr CJ Holt retires by rotation and, being eligible, offers himself for re-election

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

In accordance with Section 485 of the Companies Act 2006 a resolution to reappoint KPMG LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

By order of the board

BC Kilby
Director

Turf Moor
Harry Potts Way
BURNLEY
BB10 4BX

2012

Registered number 054222

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

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

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

KPMG

KPMG LLP
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of The Burnley Football & Athletic Company Limited

We have audited the financial statements of The Burnley Football & Athletic Company Limited for the year ended 30 June 2012 set out on pages 8 to 21 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2012 and of its profit 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of The Burnley Football & Athletic Company Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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

Richard Evans (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
Preston

7 November 2012

Profit and loss account

for the year ended 30 June 2012

	Note	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
Turnover	2	**23,029**	27,376
Other operating income		**275**	832
Staff costs	4	**(16,988)**	(19,392)
Depreciation and amortisation of player registrations	3	**(5,352)**	(5,708)
Other operating charges		**(5,375)**	(6,734)
Operating loss		**(4,411)**	(3,626)
Profit on sale of fixed assets	6	**8,542**	512
Interest payable and similar charges	7	**(963)**	(907)
Profit/(loss) on ordinary activities before taxation	3	**3,168**	(4,021)
Tax on profit/(loss) on ordinary activities	8	**-**	-
Retained profit/(loss) for the financial year		**3,168**	(4,021)

All amounts relate to continuing operations

There was no material difference between the reported profits and the historical cost profits of the Company

The notes on pages 11 to 21 form part of the financial statements

Statement of total recognised gains and losses

for the year ended 30 June 2012

The Company has no recognised gains and losses other than those reflected in the profit and loss account

Balance sheet
at 30 June 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Intangible assets	*9*		4,709		7,428
Tangible assets	*10*		2,703		2,669
			7,412		10,097
Current assets					
Stocks	*11*	227		197	
Debtors	*12*	5,224		1,292	
Cash at bank and in hand		3,306		20	
		8,757		1,509	
Creditors: amounts falling due within one year	*13*	(13,623)		(14,266)	
Net current liabilities			(4,866)		(12,757)
Total assets less current liabilities			2,546		(2,660)
Creditors: amounts falling due after more than one year	*14*		(4,369)		(3,001)
Net liabilities			(1,823)		(5,661)
Capital and reserves					
Called up share capital	*15*		74		69
Share premium account	*16*		10,656		9,991
Profit and loss account	*16*		(12,553)		(15,721)
Equity shareholders' deficit	*17*		(1,823)		(5,661)

These financial statements were approved by the board of directors on 1st November 2012 and were signed on its behalf by

BC Kilby
Director

C J Holt
Company Secretary

Registered number 054222

The notes on pages 11 to 21 form part of the financial statements

Cash flow statement

for the year ended 30 June 2012

	Note	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
Net cash (outflow)/inflow from operating activities	*18*	**(1,833)**	2,736
Returns on investments and servicing of finance	*19*	**(963)**	(941)
Capital expenditure	*19*	**5,875**	(4,021)
Cash inflow/(outflow) before financing		**3,079**	(2,226)
Financing	*19*	**420**	(134)
Increase/(decrease) in cash in the period		**3,499**	(2,360)

Reconciliation of net cash flow to movement in net debt

for the year ended 30 June 2012

	Note	2012 £000	2011 £000
Increase/(decrease) in cash in the period		**3,499**	(2,360)
Cash inflow from change in debt		**250**	173
Non-cash movement		**-**	(26)
Movement in net debt in the period		**3,749**	(2,213)
Net debt at beginning of period		**(10,012)**	(7,799)
Net debt at end of period	*20*	**(6,263)**	(10,012)

The notes on pages 11 to 21 form part of the financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Going concern

At the 30 June 2012 The Burnley Football & Athletic Company Limited had net current liabilities of £4,866,000 and reported an operating loss before player trading of £4,411,000 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 meets its day to day working capital requirements through borrowings from Directors and through financing of future income 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 UEFA 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 2014 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 and availability of loan facilities In view of this the directors have provided confirmation that they are willing to provide such additional financing to ensure the company would satisfy its ongoing financial commitments for the next 12 months from the date of approval of these financial statements Thus they continue to adopt the going concern basis in preparing the annual financial statements

Player registrations and signing on fees

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

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

Impairment of fixed assets

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed 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 first to any capitalised intangible asset and then to the carrying amount of the tangible 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 In assessing intangible fixed assets the Directors consider the first team playing squad as a single income generating unit

1 Accounting policies *(continued)*

Impairment of fixed assets (continued)

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use 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

Tangible fixed assets and depreciation

Tangible fixed assets are written off over their estimated useful economic lives on a straight line basis at the following annual rates

Leasehold improvements	2% to 10% per annum
Plant and vehicles	12 5% to 25% per annum
Fixtures and fittings	2% to 10% per annum

Directly attributable finance costs are included in the cost of purchased and constructed tangible fixed assets

Stocks

Stocks are stated at the lower of cost and net realisable value

Turnover

Turnover represents income from television rights, gate receipts, catering, club shop sales and other commercial activities, exclusive of value added tax

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

Pension costs

The Company pays contributions to personal money purchase schemes for eligible employees and accounts for the amount due in each year as a cost to the profit and loss account

Taxation

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

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Notes *(continued)*

2 Turnover

Turnover arises wholly within the UK and comprises the following

	2012 £000	2011 £000
Match income	**3,523**	4,347
Television rights	**15,646**	18,872
Catering sales	**1,360**	1,512
Other commercial activities	**1,743**	1,673
Retail sales	**757**	972
	23,029	27,376

3 Loss on ordinary activities before taxation

This is stated after charging

	2012 £000	2011 £000
Auditor s remuneration		
Audit of these financial statements	**17**	16
Corporation tax compliance services	**5**	4
Operating leases land and buildings	**372**	353
Amortisation of player registrations (note 9)	**4,920**	5,302
Depreciation (note 10)		
Owned assets	**365**	339
Assets held under finance lease	**67**	67

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company during the year, including directors, was as follows

	2012 Number	2011 Number
Players, managerial and training staff	**91**	95
Sales, administration and ancillary staff		
Full-time	**56**	56
Part-time	**17**	18
	164	169

In addition to the above, the Company employed an average of 276 *(2011 268)* match-day staff during the year The aggregate payroll costs were as follows

	2012 £000	2011 £000
Wages and salaries	**15,190**	17,373
Social security costs	**1,706**	1,949
Other pension costs	**92**	70
	16,988	19,392

5 Directors' emoluments

None of the directors received any remuneration from the Company during the year *(2011 £nil)*

6 Profit on sale of fixed assets

	2012 £000	2011 £000
Profit on sale of intangible fixed assets	**8,557**	515
Loss on sale of tangible fixed assets	**(15)**	(3)
	8,542	512

7 Interest payable and similar charges

	2012 £000	2011 £000
Finance charges on finance leases and similar hire purchase contracts	**13**	20
On other loans	**687**	570
On directors loans	**263**	317
	963	907

Notes *(continued)*

8 Taxation

	2012 £000	2011 £000
UK corporation tax at 25 5 % *(2011 27 5%)* on the profit/(loss) for the year on ordinary activities	-	-
Deferred taxation charge for the year	-	-
Tax charge	-	-

Factors affecting the tax charge for the current year

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 25 5% (2011 27 5%) The differences are explained below

	2012 £000	2011 £000
Profit/(loss) on ordinary activities before taxation	**3,168**	(4,021)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25 5 % *(2011 27 5%)*	**808**	(1,106)
Effects of		
Expenses permanently disallowed	**15**	3
Difference between depreciation and capital allowances for the period	**18**	(4)
Non taxable credits	**(27)**	(89)
Carried forward tax losses	-	1,196
Utilisation of tax losses	**(814)**	-
Current tax charge for the period	-	-

Estimated tax losses available for offset against future trading profits amount to approximately £15 3 million *(2011 £19 0 million)* This estimate is subject to the agreement of the current year corporation tax computation with the Inland Revenue

A deferred tax asset of £3,734,000 in respect of accumulated taxable losses and other timing differences has not been recognised in respect of these losses as the company does not anticipate taxable profits to arise within the immediate future

Notes *(continued)*

9 Intangible fixed assets

	Player Registrations £000
Cost	
At 1 July 2011	16,959
Additions	4,212
Disposals	(10,321)
At 30 June 2012	**10,850**
Amortisation	
At 1 July 2011	9,531
Charge for the year	4,920
Disposals	(8,310)
At 30 June 2012	**6,141**
Net book value	
At 30 June 2012	**4,709**
At 30 June 2011	7,428

10 Tangible fixed assets

	Leasehold Improve-ments £000	Plant and vehicles £000	Fixtures & Fittings £000	Total £000
Cost				
At 1 July 2011	2,533	1,379	960	4,872
Additions	350	105	74	529
Disposals	-	(112)	-	(112)
At 30 June 2012	2,883	1,372	1,034	5,289
Depreciation				
At 1 July 2011	449	950	804	2,203
Charge for year	286	111	35	432
Disposals	-	(49)	-	(49)
At 30 June 2012	735	1,012	839	2,586
Net book value				
At 30 June 2012	**2,148**	**360**	**195**	**2,703**
At 30 June 2011	2,084	429	156	2 669

Notes *(continued)*

10 Tangible fixed assets *(continued)*

Included in the total net book value of plant and vehicles, fixtures and fittings is £200,000 *(2011 £198,000)* in respect of assets held under finance leases and similar hire purchase contracts Depreciation charged for the year on these assets was £67,000 *(2011 £67,000)*

Included in the cost of leasehold improvements in the period is £nil *(2011 £14,000)* of capitalised finance costs Total cumulative finance costs capitalised as leasehold improvements is £14,000 *(2011 £14,000)*

11 Stocks

	2012 £000	2011 £000
Goods held for resale	**227**	197

12 Debtors

	2012 £000	2011 £000
Trade debtors	**4,601**	787
Prepayments and accrued income	**623**	505
	5,224	1,292

13 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Bank overdraft	**-**	**213**
Directors' loans (see note 21)	**1,640**	**1,439**
Other loans	**3,524**	5,329
Obligations under finance leases and hire purchase contracts	**36**	50
Trade creditors	**2,700**	2,398
Other taxation and social security	**1,999**	864
Other creditors	**432**	509
Accruals and deferred income	**3,292**	3,464
	13,623	14,266

Included within Other loans are loans which are secured on future ticket sales and FA Parachute payments Interest is charged at interest rates ranging between 10% - 11%

Interest is charged on Directors loans at 6 5% per annum

Notes *(continued)*

14 Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Directors loans (note 21)	**3,111**	2,983
Other loans	**1,215**	-
Obligations under finance leases and hire purchase contracts	**43**	18
	4,369	3,001

15 Called up share capital

	2012 £000	2011 £000
Allotted, issued and paid		
73,640 *(2011 69,180)* ordinary shares of £1 each	**74**	69

During the year the Company issued 4,460 ordinary shares of £1 each for a total consideration of £670,000

16 Reserves

	Share premium account £000	Profit and loss account £000
At 1 July 2011	9,991	(15,721)
Retained profit for year	-	3,168
Premium arising on the issue of shares (net of expenses)	665	-
At 30 June 2012	**10,656**	**(12,553)**

17 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Profit/(loss) for the financial year	**3,168**	(4,021)
New share capital subscribed (net of expenses)	**670**	4
Net increase/(decrease) arising in year	**3,838**	(4,017)
Opening shareholders' deficit	**(5,661)**	(1,644)
Closing shareholders' deficit	**(1,823)**	(5,661)

Notes *(continued)*

18 Reconciliation of operating (loss)/profit to net cash flow from operating activities

	2012 £000	2011 £000
Operating loss	**(4,411)**	(3,626)
Depreciation	**432**	406
Amortisation of player registrations	**4,920**	5,583
Increase in stocks	**(30)**	(39)
(Increase)/decrease in debtors	**(3,932)**	6,913
Increase/(decrease) in creditors	**1,188**	(6,501)
Net cash (outflow)/inflow from operating activities	**(1,833)**	2 736

19 Analysis of cash flows for headings netted in the cash flow statement

	2012 £000	2011 £000
Returns on investments and servicing of finance		
Interest paid	**(963)**	(941)
Net cash outflow from returns on investments and servicing of Finance	**(963)**	(941)
Capital expenditure		
Payments to acquire intangible fixed assets	**(4,212)**	(3,934)
Payments to acquire tangible fixed assets	**(529)**	(612)
Receipts from sales of intangible fixed assets	**10,568**	515
Receipts from sale of tangible fixed assets	**48**	10
Net cash inflow/(outflow) from capital expenditure	**5,875**	(4,021)
Financing		
Issue of ordinary share capital	**670**	4
Loans received	**5,894**	9,146
Loans repaid	**(6,155)**	(9,182)
Capital element of finance lease and hire purchase payments	**11**	(102)
Net cash inflow/(outflow) from financing	**420**	(134)

20 Analysis of changes in net debt

	At 30 June 2011 £000	Cash Flow £000	Other non-cash changes £000	**At 30 June 2012 £000**
Cash at bank and in hand	20	3,286	-	**3,306**
Bank overdraft	(213)	213	-	**-**
Debt due within 1 year	(6 768)	1 604	-	**(5,164)**
Debt due after 1 year	(2,983)	(1 343)	-	**(4,326)**
Finance leases and hire purchase contracts	(68)	(11)	-	**(79)**
	(10,012)	3,749	-	**(6,263)**

Notes *(continued)*

21 Related party transactions

Loans due to related parties

At 30 June 2012 the following balances were outstanding as loans advanced to the Company in this and the previous year

	2012	2011
	£000	£000
Mr BC Kilby	516	-
Mr J Banaszkiewicz via Freight Investor Services Ltd	3,677	4,422
Mr M Garlick	558	-

Interest has been charged on directors loans at 6 5% per annum

Interest charged on loans

The interest charged on each loan during the year was as follows

	£000
Mr BC Kilby	16
Mr J Banaszkiewicz	233
Mr M Garlick	14

Transactions with related parties

Interest is charged on Directors loans at 6 5% per annum which is a lower rate than those charged by third party lenders

Mr BC Kilby is also a trustee of the Community Sports Trust ('CST') Until December 2011, when it ceased trading, the CST operated the gym adjacent to Turf Moor and the Sport in the Community scheme During the year, the Company paid £20,000 (2011 £238,000) in operating subsidies and closure costs for CST, which is now in the process of being closed down

During the year, BFC's lottery activities were managed by Total Gaming Solutions Limited ('TGSL'), of which Mr BC Kilby is a director The total consideration paid to TGSL in respect of these services was £45,000 (2011 £30,000) in the year of which £nil (2011 £nil) remained payable at year end

During the year, the Company entered into a lease agreement with, and supplied goods to the University College of Football Business UCFB of which Mr B Flood and Mr J Banaszkiewicz are directors During the year, the Company entered into transactions with UCFB totalling £243,000 (2011 £9,000) The transactions were largely recharges for utilities and advertising At the year end £62,000 was outstanding (2011 £nil)

During the year, Mr BC Kilby and Mr B Flood entered into transactions with the Company in the normal course of trading as follows

- Mr BC Kilby purchased goods to the value of £2,000 (2011 £4 000), of which £1,800 (2011 £4,000) was outstanding at the year end This balance was paid in full immediately following the year end
- Mr B Flood via Jennyfawn Ltd, purchased goods to the value of £5 000 (2011 £11,000) during the year, and had a balance outstanding of £16 000 (2011 £11 000) at the year end Jennyfawn submitted invoices to the value of £3,000 (2011 £7 000) in respect of travelling and other expenses incurred by Mr B Flood on behalf of the Company during the year

Notes *(continued)*

22 Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2012	2011
	£000	£000
Operating leases which expire after more than 5 years	**372**	372

At 30 June 2012, the Company had commitments of £140,000 in capital and revenue expenditure for ground improvements (*2011 £380,000*)

23 Post balance sheet events

Following the year end, the Company acquired the player registrations of Jason Shakell, George Porter, Sam Vokes and Brian Stock on permanent contracts and Joesph Mills on a long term loan agreement These events have no effect on this set of financial statements