

Company Registration No. 00054222 (England and Wales)

**THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## COMPANY INFORMATION

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|------------------|------------------|------------------------------|
| <b>Directors</b> | A Pace           | (Appointed 30 December 2020) |
|                  | M Smith          | (Appointed 30 December 2020) |
|                  | S Hunt           | (Appointed 30 December 2020) |
|                  | A Parra          | (Appointed 30 December 2020) |
|                  | D Checketts      | (Appointed 30 December 2020) |
|                  | M L Garlick      |                              |
|                  | J Banaszekiewicz |                              |

**Company number** 00054222

**Registered office** Turf Moor  
Harry Potts Way  
Burnley  
Lancashire  
United Kingdom  
BB10 4BX

**Auditor** Azets Audit Services  
St. Crispin House  
St. Crispin Way  
Haslingden  
Rossendale  
Lancashire  
United Kingdom  
BB4 4PW

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# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

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# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2021

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The directors present the strategic report with regard to the period ended 31 July 2021.

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

On behalf of the board of directors, we are pleased to present the annual report and financial statements for the year ended 31 July 2021.

The club entered its fifth successive season in the Premier League with Dale Stephens joining the club from Brighton & Hove Albion.

Due to unprecedented circumstances, Burnley went another full season without fans in the stadium except for a limited number returning for our last home match. The excitement and support from our Burnley fans was sorely missed. The lack of fan attendance and the lower placed league finish at 17th meant turnover fell from £134m to £115m.

During the season we extended contracts on several key players and managed to reduce wages year over year from £92m to £86m, in part due to a lower retention bonus at the end of the 2021 season. Despite Covid challenges and our lower turnover, the company ended the season with £50m of cash on hand after reporting a small loss before tax of £3m.

In July 2021 the club said farewell to James Dunne, Josh Benson and Ben Gibson, who moved on to pastures new, while welcoming in Nathan Collins.

We are pleased with the results of our first 7 months of ownership as we have been able to incorporate the Women's team fully into the Burnley FC family and begin long term planning on facility improvements and player development investment. The strength of our team working together to overcome the challenges we have experienced this year give us hope and confidence for the coming season.

I would like to thank all of the fans for their continued support and we have enjoyed welcoming you back for the 2021-22 season.

#### **Promoting the success of the company**

The directors of the Company are to act in accordance with a set of general duties. These duties are detailed in Section 172 of the Companies Act 2006, which is summarised as follows:

A director of a company is to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

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

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2021**

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### **Long term consequences**

It is understood the company has sought to ensure that it operates ethically, in a manner that helps foster strong relationships with its stakeholders. The Board of directors considers and takes steps where possible to mitigate and reduce the impact of adverse factors that may place unacceptable strain on relationships with company stakeholders.

The company's adherence to UEFA and Premier League Financial Fair Play rules ensures sustainable, responsible and transparent management of the company's finances.

### **Interest of employees**

The health, safety and well-being of our employees is one of the main considerations. The club actively promotes equality and diversity, to ensure employees are not discriminated against on the grounds of age, disability, ethnic origin, nationality, religion, race, gender or any other circumstances.

### **Interest of other stakeholders (fans, suppliers, others)**

Fans are the lifeblood of our football club and, as such, are always at the foremost when major decisions are made. Senior executives and key decision makers at the football club have regular meetings with the relevant supporters groups and we are proud to have a growing number of overseas supporters groups.

We value our suppliers, ensuring we pay them promptly and have longstanding relationships with many key suppliers.

### **Impact on the community**

The independent charitable body, Burnley FC in the Community, works with the company to inspire support and deliver positive change for those living in our local community and beyond.

The Charity has worked in partnership with the Club and partners across the area to deliver food parcels to those most in need via the Burnley Community Kitchen and BurnleyTogether.

During the COVID-19 pandemic, the stadium was used as an NHS testing site and regularly hosts blood donations.

### **Principal Risks and Uncertainties**

The company faces a number of risks and uncertainties and has measures in place to mitigate the impact of these risks.

The principal risk to the company is the possibility of the football club's relegation from the Premier League. This would result in a reduction in the company's turnover and would bring forward debt reduction measures relating to a third party loan, held within the company's immediate parent, Burnley FC Holdings Limited, of which the company is an obligor (see also note 19). This risk is managed by various means, which are detailed in note 1.2.

The club's finishing position in the Premier League also has a material impact on the company's turnover and operating costs, and the directors make prudent budget assumptions regarding the club's league position to manage this risk.

Another risk to the company is the continued compliance with Premier League, FA and English Football League rules and regulations, in particular Financial Fair Play regulations. The company takes all necessary steps to ensure compliance with all the relevant rules and regulations.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

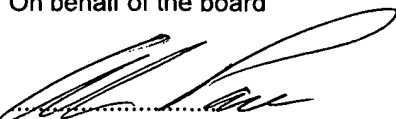
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### Key performance indicators

|                          | 2020 / 2021                 | 2019 / 2020 |
|--------------------------|-----------------------------|-------------|
| League Position          | 17th                        | 10th        |
| FA Cup                   | 3rd Round                   | 4th Round   |
| Carabao Cup              | 4th Round                   | 2nd Round   |
| Average Home league gate | N/A - Covid-19 restrictions | 20,268      |
| Wage: Turnover ratio     | 74.66%                      | 70.20%      |

2019/20 wages adjusted to be comparable to the 12-month period in 2020/21.

On behalf of the board



A Pace  
Director

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28 APR 2022

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2021

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The directors present their annual report and financial statements for the year ended 31 July 2021.

#### Principal activities

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

#### Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

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

|                 |                              |
|-----------------|------------------------------|
| A Pace          | (Appointed 30 December 2020) |
| M Smith         | (Appointed 30 December 2020) |
| S Hunt          | (Appointed 30 December 2020) |
| A Parra         | (Appointed 30 December 2020) |
| D Checketts     | (Appointed 30 December 2020) |
| M L Garlick     |                              |
| J Banaszkiewicz |                              |
| B Flood         | (Resigned 30 December 2020)  |
| T A D Crabb     | (Resigned 30 December 2020)  |
| B C Kilby       | (Resigned 30 December 2020)  |
| B T Nelson      | (Resigned 30 December 2020)  |
| Mr C J Holt     | (Resigned 30 December 2020)  |

#### Financial instruments

##### *Price risk, credit risk, liquidity risk and cash flow risk*

The business' principal financial instruments comprise bank balances, loan borrowings, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances and third party borrowings, the credit and liquidity risk is managed by ensuring sufficient funds are available to meet amounts due, by prudent cash management and continuous monitoring of budgets and forecasts. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

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### Employee involvement

The company's policy is to consult and discuss with employees, including through any applicable unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

### Post reporting date events

Details of post balance sheet events are included in note 22 to the financial statements.

### Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Energy and carbon report

The company has analysed part of its obligations as an industrial user and emitter of CO<sub>2</sub> greenhouse gases, and to reduce consumption and protect the environment. All new equipment purchases or stadium and facility upgrades are procured with energy reduction in mind. Existing infrastructure is under constant review to seek out opportunities for more energy efficient alternatives, with the understanding that this will reduce costs.

Recent improvements include replacing office space lighting with LED alternatives and replacing diesel fuelled company vehicles with hybrid vehicles, including the setting up of an electric recharging point in the stadium car park.

The total Kwh consumption across all our properties for the period was 5,387,406 (2020: 4,033,391). Using the UK Government GHG Conversion Factors for Company Reporting advisory tables, to convert this energy consumption into tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), equates to 1,115 tonnes (2020: 875 tonnes). The CO<sub>2</sub>e emissions from travel equates to 159 tonnes (2020: 125 tonnes). Therefore the company's total emissions in CO<sub>2</sub>e is 1,274 tonnes (2020: 1,000 tonnes), which equates to 5 tonnes (2020: 4 tonnes) per employee. This increase is largely due to the disparity as a result of COVID-19 lockdowns affecting the prior period and the current year differently.

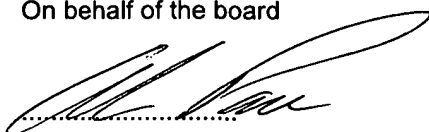
### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

### Statement of disclosure to auditor

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

On behalf of the board



A Pace  
Director

Date: ..... 28 APR 2022 .....



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

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JULY 2021***

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

We have audited the financial statements of The Burnley Football & Athletic Company Limited (the 'company') for the year ended 31 July 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Emphasis of matter

1. We draw attention to Note 2 of the financial statements in respect of key judgements relating to the timeframe for settlement of amounts owed by group undertakings, and the factors which may impact eventual recoverability. Due to the quantum of this balance, we consider these key judgements are fundamental to users' understanding of the financial statements.
2. We draw attention to Note 19 of the financial statements regarding the company being an obligor to a third party loan held within the balance sheet of its immediate parent company, Burnley FC Holdings Limited. The company has and is likely to continue to make interest payments in respect of this loan and it is anticipated the company will remain involved in the financing of future capital repayments, on behalf of Burnley FC Holdings Limited. We consider that understanding the obligations of the company in relation to this loan balance is critical to understanding the financial statements.

Our opinion is not modified in respect of these matters.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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#### 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 the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### Responsibilities of directors

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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#### **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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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#### Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



**Mr Nicholas Stockton (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

Date: .....2.8.APR 2022

**Chartered Accountants**  
**Statutory Auditor**

St. Crispin House  
St. Crispin Way  
Haslingden  
Rossendale  
Lancashire  
United Kingdom  
BB4 4PW

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

|  |       | Year ended<br>31 July 2021           |                   | 13 month<br>period ended<br>31 July 2020 |           |
|--|-------|--------------------------------------|-------------------|--|-----------|
|  |       | Operations<br>excl player<br>trading | Player<br>trading | Total                                    | Total     |
|  | Notes | £'000                                | £'000             | £'000                                    | £'000     |
| Turnover   | 3     | 115,101                              | -                 | 115,101                                  | 133,813   |
| Other operating income                           |       | 1,712                                | -                 | 1,712                                    | 1,177     |
| Staff costs                                      | 6     | (85,934)                             | -                 | (85,934)                                 | (100,094) |
| Depreciation                                     | 4     | (1,036)                              | -                 | (1,036)                                  | (1,185)   |
| Other operating expenses                         |       | (13,907)                             | -                 | (13,907)                                 | (16,181)  |
| <b>Operating profit excluding player trading</b> |       | 15,936                               | -                 | 15,936                                   | 17,530    |
| Amortisation of player registrations             | 4     | -                                    | (21,411)          | (21,411)                                 | (32,315)  |
| Profit on disposal of player registrations       | 4     | -                                    | 5,102             | 5,102                                    | 14,746    |
| <b>Operating profit/(loss)</b>                   | 4     | 15,936                               | (16,309)          | (373)                                    | (39)      |
| Interest receivable and similar income           | 7     |                                      |                   | 36                                       | 84        |
| Interest payable and similar expenses            | 8     |                                      |                   | (2,793)                                  | -         |
| <b>(Loss)/profit before taxation</b>             |       |                                      |                   | (3,130)                                  | 45        |
| Tax on (loss)/profit                             | 9     |                                      |                   | 562                                      | 515       |
| <b>(Loss)/profit for the financial year</b>      |       |                                      |                   | (2,568)                                  | 560       |

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

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

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## BALANCE SHEET

AS AT 31 JULY 2021

|  | Notes | 2021<br>£'000   | 2020<br>£'000        | 2020<br>£'000        |
|--|-------|-----------------|----------------------|----------------------|
| <b>Fixed assets</b>  |       |                 |                      |                      |
| Intangible assets  | 10    |                 | 34,331               | 40,451               |
| Tangible assets  | 11    |                 | 8,420                | 4,476                |
|  |       |                 | <u>42,751</u>        | <u>44,927</u>        |
| <b>Current assets</b>  |       |                 |                      |                      |
| Stocks   | 12    | 849             |                      | 886                  |
| Debtors  | 13    | 66,386          |                      | 27,808               |
| Cash at bank and in hand                                       |       | 50,225          |                      | 80,606               |
|  |       | <u>117,460</u>  |                      | <u>109,300</u>       |
| <b>Creditors: amounts falling due within one year</b>          | 14    | <u>(72,147)</u> |                      | <u>(75,991)</u>      |
| <b>Net current assets</b>                                      |       |                 | <u>45,313</u>        | <u>33,309</u>        |
| <b>Total assets less current liabilities</b>                   |       |                 | <u>88,064</u>        | <u>78,236</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |                 | (10,816)             | (1,132)              |
| <b>Provisions for liabilities</b>                              |       |                 |                      |                      |
| Deferred tax liability   | 16    | <u>2,962</u>    | <u>(2,962)</u>       | <u>250</u>           |
|  |       |                 |                      | <u>(250)</u>         |
| <b>Net assets</b>  |       |                 | <u><u>74,286</u></u> | <u><u>76,854</u></u> |
| <b>Capital and reserves</b>                                    |       |                 |                      |                      |
| Called up share capital  | 18    |                 | 77                   | 77                   |
| Share premium account  |       |                 | 11,219               | 11,219               |
| Profit and loss reserves                                       |       |                 | <u>62,990</u>        | <u>65,558</u>        |
| <b>Total equity</b>  |       |                 | <u><u>74,286</u></u> | <u><u>76,854</u></u> |

The financial statements were approved by the board of directors and authorised for issue on .....28 APR 2022  
and are signed on its behalf by:



A Pace  
Director

Company Registration No. 00054222

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

|  | Share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Profit and<br>loss<br>reserves<br>£'000 | Total<br>£'000 |
|--|---------------------------|--------------------------------------|---|----------------|
| <b>Balance at 1 July 2019</b>                        | 77                        | 11,219                               | 64,998                                  | 76,294         |
| <b>Period ended 31 July 2020:</b>                    |                           |                                      |   |                |
| Profit and total comprehensive income for the period | -                         | -                                    | 560                                     | 560            |
| <b>Balance at 31 July 2020</b>                       | 77                        | 11,219                               | 65,558                                  | 76,854         |
| <b>Period ended 31 July 2021:</b>                    |                           |                                      |   |                |
| Loss and total comprehensive income for the period   | -                         | -                                    | (2,568)                                 | (2,568)        |
| <b>Balance at 31 July 2021</b>                       | 77                        | 11,219                               | 62,990                                  | 74,286         |



# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JULY 2021**

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### **1 Accounting policies**

#### **Company information**

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

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

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

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

#### **1.2 Going concern**

The COVID-19 pandemic reduced several of the company's revenue streams. Despite this, the company continued to receive a high percentage of budgeted broadcasting revenue, which is by far the largest revenue stream. The company has returned to more normal trading conditions during the 2021/22 season but there remains some uncertainty over the impact of any future COVID-19 variants, if they were to arise, which could impact match day attendance. The directors do not consider this materially impacts their assessment of going concern.

The company prepares forecasts which take into consideration various scenarios, including the risk of the club being relegated from the Premier League.

In the event of relegation, the company will incur a significant reduction in turnover as full Premier League broadcasting revenue is replaced with parachute payments. The company will be required to take steps to reduce costs and borrowings to a level which are more sustainable for a Championship club (see also note 19). In the event of relegation the directors are satisfied that the company will continue to have the support of its lenders, with relegation prompting a loan balance reduction (in respect of a third party loan of which this company is an obligor) that is not required if the club remains in the Premier League, as described in note 19. In this scenario the company has forecast a significant reduction in wages and salaries, which will be largely achieved by contractual means existing in player and employee contracts. The company has also forecast that there will be a net inflow of cash arising from player trading, as is common for many clubs relegated from the Premier League. In the event that the company's financial performance is less than that modelled, in a relegation scenario, the directors are satisfied that further cash can be generated, including by further player trading, if this was absolutely necessary.

The nature of the football industry leads itself to a significant degree of uncertainty when preparing financial forecasts. However, the directors have considered the financial stability of the company for the next 12 months from the date of signing these financial statements. They have assessed financial performance and are satisfied that it will have sufficient resources available to maintain its cash-flow during this period and therefore remain confident it will continue to be a going concern.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 1 Accounting policies

(Continued)

#### 1.3 Reporting period

These financial statements reflect the company's results for the year ended 31 July 2021. However, the comparative figures show the company's results for the 13-month period ended 31 July 2020. Therefore the results between periods are not directly comparable.

#### 1.4 Turnover

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

#### 1.5 Tangible fixed assets

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

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

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

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

#### Player registrations and signing on fees

Transfer fees and amounts paid to third parties for player registrations are capitalised as intangible assets and are amortised on a straight line basis over the period of the respective players' contracts. Where a contract life is renegotiated, the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract.

Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when the event occurs.

When a player registration is disposed, profit or loss on disposal of the registration is recognised as the difference between the consideration received and the carrying value of the player registration at the date of disposal.

Intangible assets are assessed on an annual basis and impairment losses arising are charged to the profit and loss account in the period in which they arise.

Player signing-on fees are expensed to the profit and loss account on a straight line basis over the period of the respective players' contracts except in the circumstances of a player disposal. In that case, any remaining signing-on fees due are allocated in full against profit on disposal of players' registrations.

#### 1.6 Impairment of fixed assets

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

#### 1.7 Stocks

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

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 1 Accounting policies

(Continued)

#### 1.8 Cash at bank and in hand

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

#### 1.9 Financial instruments

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

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

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

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

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

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

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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

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

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

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

#### 1.10 Equity instruments

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

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

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#### 1 Accounting policies

(Continued)

##### 1.11 Taxation

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

###### **Current tax**

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

###### **Deferred tax**

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

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

##### 1.12 Employee benefits

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

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

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

##### 1.13 Retirement benefits

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

##### 1.14 Leases

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

##### 1.15 Other operating income

Other operating income consists of government grant income receivable in relation to the Coronavirus Job Retention Scheme. Within operating income there is also Youth football development grants. Income is recognised once the company is entitled to the income, which is when the claim is submitted.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

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### **2 Judgements and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements and key estimates have had the most significant effect on amounts recognised in the financial statements.

Critical judgements may be cast in a different light in the event of the club being relegated from the Premier League.

#### **Provision for impairment of intangible assets**

Provision for impairment is made when it becomes clear that any diminution in the value is permanent. In certain circumstances there may be an individual player whom the company does not consider to be part of the first team squad going forward and whom management have decided is unlikely to play for the first team for a significant part of the remaining duration of the player's contract. In such situations the carrying value of the player will be assessed for impairment and considered against the best estimate of his fair value less costs to sell.

#### **Going concern**

The company has prepared forecasts which are subject to judgements and assumptions, when concluding there is no material uncertainty over the company's ability to remain a going concern. The underlying models contain key judgements about future player trading which are subject to a significant degree of uncertainty, along with other variables.

#### **Recoverability of group balances**

The company has an outstanding debtor balance of £37,000,000 due from the undertaking of Calder Vale Holdings Limited, which arose in relation to the acquisition of Burnley FC Holdings Limited during the year. This balance is unsecured and is by default, treated as being repayable on demand, although the directors do not anticipate recovery in the form of cash within twelve months of the balance sheet date.

The balance can potentially be settled by various means, and the company's reserves are sufficient to enable the balance to be settled by way of dividends if required. In such case the financial performance of the company may impact the extent to which, and the timing in which, the balance is recoverable in this manner, as this could affect the likelihood of future dividends taking place. With this in mind the balance will be periodically reviewed for indicators of impairment going forward, with adjustments made in respect of any impairment indicators should they arise.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 3 Turnover and other revenue

Turnover originates within the United Kingdom and comprises the following:

|   | 2021<br>£'000  | 2020<br>£'000  |
|---|----------------|----------------|
| <b>Turnover analysed by class of business</b> |                |                |
| Match income                                  | 355            | 4,599          |
| Television rights                             | 103,853        | 113,491        |
| Catering sales                                | 115            | 2,099          |
| Other commercial activities                   | 9,183          | 11,803         |
| Retail sales                                  | 1,595          | 1,821          |
|   | <u>115,101</u> | <u>133,813</u> |

### 4 Operating loss

Operating loss for the period is stated after charging/(crediting):

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Depreciation of tangible fixed assets      | 1,036         | 1,185         |
| Amortisation of player registrations       | 21,411        | 32,315        |
| Profit on disposal of player registrations | (5,102)       | (14,746)      |
| Operating lease charges                    | 1,221         | 1,132         |
|  | <u>18,566</u> | <u>19,672</u> |

### 5 Auditor's remuneration

Fees payable to the company's auditor and associates:

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>For audit services</b>                        |               |               |
| Audit of the financial statements of the company | 43            | 28            |
|  | <u>43</u>     | <u>28</u>     |
| <b>For other services</b>                        |               |               |
| Audit-related assurance services                 | 15            | 15            |
| Taxation compliance services                     | 17            | 15            |
| All other non-audit services                     | 16            | 15            |
|  | <u>48</u>     | <u>45</u>     |

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 6 Employees

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

|   | 2021<br>Number | 2020<br>Number |
|---|----------------|----------------|
| Players, managerial and training staff                | 133            | 156            |
| Sales, administration and ancillary staff - full time | 85             | 66             |
| Sales, administration and ancillary staff - part time | 49             | 29             |
| Total   | 267            | 251            |

Their aggregate remuneration comprised:

|                       | 2021<br>£'000 | 2020<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | 77,269        | 89,475        |
| Social security costs | 8,523         | 10,487        |
| Pension costs         | 142           | 132           |
|                       | 85,934        | 100,094       |

In addition to the above, the company employed an average of 5 (2020 - 225) match-day staff during the year. Given that fans only returned to Premier League fixtures, in a reduced capacity, for the final home game of the season, on this singular match day staff were utilised from various other departments, and thus the number of dedicated match day staff was kept to a minimum throughout the year.

### Directors' and key management remuneration

The directors of Burnley Football & Athletic Company Limited are considered to be the key management personnel of the company. None of the directors received remuneration from the company during the current or previous year.

### 7 Interest receivable and similar income

|                           | 2021<br>£'000 | 2020<br>£'000 |
|---------------------------|---------------|---------------|
| Interest income           |               |               |
| Interest on bank deposits | 36            | 84            |

### 8 Interest payable and similar expenses

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Other interest on financial liabilities | 2,793         | -             |

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

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### 9 Taxation

|  | 2021<br>£'000  | 2020<br>£'000 |
|--|----------------|---------------|
| <b>Current tax</b>                                   |                |               |
| UK corporation tax on profits for the current period | -              | (375)         |
| Adjustments in respect of prior periods              | (3,274)        | (140)         |
|  | <u>(3,274)</u> | <u>(515)</u>  |
| Total current tax                                    | <u>(3,274)</u> | <u>(515)</u>  |
| <b>Deferred tax</b>                                  |                |               |
| Origination and reversal of timing differences       | 2,485          | -             |
| Changes in tax rates                                 | 227            | -             |
|  | <u>2,712</u>   | <u>-</u>      |
| Total deferred tax                                   | <u>2,712</u>   | <u>-</u>      |
| Total tax credit                                     | <u>(562)</u>   | <u>(515)</u>  |



# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

#### 9 Taxation

(Continued)

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

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| (Loss)/profit before taxation   | (3,130)       | 45            |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | (595)         | 9             |
| Tax effect of expenses that are not deductible in determining taxable profit                                  | -             | 27            |
| Tax effect of income not taxable in determining taxable profit  | -             | (36)          |
| Utilisation of tax losses   | -             | (85)          |
| Research and development tax credit   | -             | (290)         |
| Under/(over) provided in prior years  | -             | (140)         |
| Change in tax rate on deferred tax balances   | 227           | -             |
| Permanently enhanced capital allowances   | (194)         | -             |
| Taxation credit for the period  | (562)         | (515)         |

Adjustments in respect of prior periods of £3,274,000 have arisen from a rollover relief claim made during the year relating to gains on the disposal of intangible fixed assets. This has led to a corresponding increase in the company's deferred tax provision (see also note 16). The overall increase in the company's deferred tax provision was partially released during the current period and will continue to be released in future years.

#### Factors that may affect future tax charges

The enacted tax rate was 19% as at the balance sheet date of 31 July 2021. It was announced on 3 March 2021 that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000 the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits. The Government included the above changes in the Financial Bill 2021 which received Royal Assent on 10 June 2021. If the unwinding of the deferred tax asset occurs during or after the tax year commencing 1 April 2023, they will unwind based on the above rates.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 10 Intangible fixed assets

|                                    | Player registrations<br>£'000 |
|------------------------------------|-------------------------------|
| <b>Cost</b>                        |                               |
| At 1 August 2020                   | 121,897                       |
| Additions                          | 19,195                        |
| Disposals                          | (16,208)                      |
| At 31 July 2021                    | 124,884                       |
| <b>Amortisation and impairment</b> |                               |
| At 1 August 2020                   | 81,446                        |
| Amortisation charged for the year  | 21,411                        |
| Disposals                          | (12,304)                      |
| At 31 July 2021                    | 90,553                        |
| <b>Carrying amount</b>             |                               |
| At 31 July 2021                    | 34,331                        |
| At 31 July 2020                    | 40,451                        |

### 11 Tangible fixed assets

|                                    | Leasehold<br>improvements<br>£'000 | Plant and<br>vehicles<br>£'000 | Fixtures and<br>fittings<br>£'000 | Total<br>£'000 |
|------------------------------------|------------------------------------|--------------------------------|-----------------------------------|----------------|
| <b>Cost</b>                        |                                    |                                |                                   |                |
| At 1 August 2020                   | 8,439                              | 3,213                          | 2,573                             | 14,225         |
| Additions                          | 4,701                              | 255                            | 24                                | 4,980          |
| At 31 July 2021                    | 13,140                             | 3,468                          | 2,597                             | 19,205         |
| <b>Depreciation and impairment</b> |                                    |                                |                                   |                |
| At 1 August 2020                   | 5,443                              | 2,218                          | 2,088                             | 9,749          |
| Depreciation charged in the year   | 619                                | 242                            | 175                               | 1,036          |
| At 31 July 2021                    | 6,062                              | 2,460                          | 2,263                             | 10,785         |
| <b>Carrying amount</b>             |                                    |                                |                                   |                |
| At 31 July 2021                    | 7,078                              | 1,008                          | 334                               | 8,420          |
| At 31 July 2020                    | 2,996                              | 995                            | 485                               | 4,476          |

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 12 Stocks

|                                     | 2021<br>£'000 | 2020<br>£'000 |
|-------------------------------------|---------------|---------------|
| Finished goods and goods for resale | 849           | 886           |

### 13 Debtors

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Trade debtors                               | 2,699         | 2,518         |
| Corporation tax recoverable                 | 3,695         | 2,793         |
| Amounts owed by group undertakings          | 54,919        | 18,813        |
| Prepayments and accrued income              | 5,073         | 3,684         |
|   | 66,386        | 27,808        |

Included within trade debtors is £2,138,000 (2020 - £2,413,000) relating to amounts due from other football clubs.

Included within trade debtors is £260,000 (2020 - £nil) which is due after one year.

Amounts owed by group undertakings is classified as falling due within one year (see note 2).

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

|                                    | 2021<br>£'000 | 2020<br>£'000 |
|------------------------------------|---------------|---------------|
| Trade creditors                    | 6,232         | 3,533         |
| Amounts owed to group undertakings | 517           | 517           |
| Taxation and social security       | 10,590        | 15,388        |
| Accruals and deferred income       | 54,808        | 56,553        |
|                                    | 72,147        | 75,991        |

Included within trade creditors is £3,245,000 (2020 - £2,056,000), which relate to amounts due to other football clubs.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

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

|                              | 2021<br>£'000 | 2020<br>£'000 |
|------------------------------|---------------|---------------|
| Trade creditors              | 6,000         | -             |
| Accruals and deferred income | 4,816         | 1,132         |
|                              | <u>10,816</u> | <u>1,132</u>  |

Included within trade creditors is £6,000,000 (2020 - £nil), which relate to amounts due to other football clubs.

### 16 Deferred taxation

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

|   | Liabilities<br>2021<br>£'000 | Liabilities<br>2020<br>£'000 |
|---|------------------------------|------------------------------|
| <b>Balances:</b>                          |                              |                              |
| Accelerated capital allowances            | 1,310                        | 250                          |
| Tax losses                                | (360)                        | -                            |
| Intangible fixed asset timing differences | 2,012                        | -                            |
|   | <u>2,962</u>                 | <u>250</u>                   |

|   | 2021<br>£'000 |
|---|---------------|
| <b>Movements in the year:</b>                 |               |
| Liability at 1 August 2020                    | 250           |
| Charge to profit or loss                      | 2,485         |
| Effect of change in tax rate - profit or loss | 227           |
|   | <u>2,962</u>  |
| Liability at 31 July 2021                     | <u>2,962</u>  |

### 17 Retirement benefit schemes

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Defined contribution schemes</b>                                 |               |               |
| Charge to profit or loss in respect of defined contribution schemes | <u>142</u>    | <u>132</u>    |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 17 Retirement benefit schemes

(Continued)

Contributions totalling £25,000 (2020 - £22,000) were payable to the scheme at the end of the year and are included in creditors.

### 18 Share capital

|                                   | 2021<br>£'000 | 2020<br>£'000 |
|-----------------------------------|---------------|---------------|
| <b>Ordinary share capital</b>     |               |               |
| <b>Issued and fully paid</b>      |               |               |
| 77,000 Ordinary shares of £1 each | 77            | 77            |
|                                   | <u>77</u>     | <u>77</u>     |

### 19 Financial commitments, guarantees, contingent assets and contingent liabilities

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £2,840,000 (2020 - £3,565,000).

Under the terms of certain contracts for the sale of players' registrations, future receipts may be receivable from third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent asset was £6,950,000 (2020 - £3,650,000), none of which has been recognised as an asset.

#### Group borrowings

The company is an obligor to a third party loan held by its parent undertaking Burnley FC Holdings Limited. At 31 July 2021 the amount due in respect of this loan was £65,000,000. As Burnley FC Holdings Limited is a non-trading company, interest payments in respect of this loan have been made by the company. It is anticipated that future interest payments are likely to be made by the company and that it will remain involved in the financing of future capital repayments on behalf of Burnley FC Holdings Limited.

This balance bears interest of LIBOR + 8% per annum and is secured by way of fixed and floating charges over the assets of the company and its fellow group undertakings Burnley FC Holdings Limited and Longside Properties Limited.

The capital element of the loan is due for repayment by Burnley FC Holdings Limited in December 2025, with interest only payments being required up to that point, providing the club remains in the Premier League. In the event of the club's relegation from the Premier League, the repayment schedule for the capital element of the loan is brought forward, with a significant proportion falling due for repayment shortly after the end of the football season in which the relegation event takes place. This repayment would, therefore, be expected to fall due within less than one year from the balance sheet date in these circumstances. In a continuing relegation scenario, a further significant reduction of the loan balance would also take place in the following season. These amounts are subject to agreement between the parties.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

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### **20 Operating lease commitments**

#### **Lessee**

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

|                            | <b>2021</b>  | <b>2020</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£'000</b> | <b>£'000</b> |
| Within one year            | 9            | 16           |
| Between two and five years | 9            | 17           |
|                            | <u>18</u>    | <u>33</u>    |

The company is also party to a long term lease agreement with Longside Properties Limited, a fellow subsidiary of Burnley FC Holdings Limited, in respect of certain land and buildings. At 31 July 2021, the total future minimum lease payments under these agreements was £73,114,000 (2020 - £73,987,000), due in instalments over the next 83 years. Any future amendments to this agreement are at the discretion of the group's board of directors.

### **21 Capital commitments**

The total amount contracted for but not provided in the financial statements was £1,000,000 (2020 : £nil).

### **22 Events after the reporting date**

Following the year end the club acquired the player registrations of Wayne Hennessey, Maxwell Cornet, Connor Roberts, Aaron Lennon, and Wout Weghorst on permanent playing contracts.

The player registration of Chris Wood has been disposed of after the year end.

The net expenditure arising on these transfers is £1,300,000.

Following the year end £10,000,000 was advanced to a fellow group company.

# THE BURNLEY FOOTBALL & ATHLETIC COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

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### **23 Related party transactions**

#### **Transactions with related parties**

During the year, the company entered into transactions with: Total Gaming Solutions Limited (a company in which Mr B C Kilby is a director), University College of Football Business (an entity in which Mr J Banaszkiwicz and Mr B Flood are directors) and Clarets in the Community Limited (an entity in which Mr B C Kilby and Mr B Nelson are directors).

During the year, the company purchased goods and services from these entities amounting to £38,000 (2020 - £235,000). At the balance sheet date the amount due to these entities was £4,000 (2020 - £1,000).

During the year, the company supplied goods and services to these entities amounting to £117,000 (2020 - £191,000). At the balance sheet date the amount due from these entities was £nil (2020 - £1,000).

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

During the year, the company entered into transactions with, Calder Vale Holdings Limited, relating to the acquisition of Burnley FC Holdings Limited (see note 2 and 13).

### **24 Ultimate controlling party**

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

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

These financial statements are available upon request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

On 30 December 2020, a majority shareholding in Burnley FC Holdings Limited was acquired by Calder Vale Holdings Limited. The ultimate parent company of the new group is Velocity Sports Limited, a company incorporated in Jersey, of which Alan Pace is considered to be an ultimate controlling party.