

**The Burnley Football & Athletic  
Company Limited**

Annual Report and Financial Statements

Year Ended

31 July 2023

Company Number 00054222

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# The Burnley Football & Athletic Company Limited

## Company Information

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<b>Directors</b>	A G Pace M L Smith A D Parra S Hunt D W Checketts
<b>Company secretary</b>	M R Williams
<b>Registered number</b>	00054222
<b>Registered office</b>	Turf Moor Burnley Lancashire BB10 4BX
<b>Independent auditor</b>	BDO LLP 3 Hardman Street Manchester M3 3AT

# The Burnley Football & Athletic Company Limited

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# The Burnley Football & Athletic Company Limited

## Strategic Report For the Year Ended 31 July 2023

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The directors present their Strategic Report together with the audited financial statements for the year ended 31 July 2023.

### **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 2023.

The 2022/23 financial year saw the Club participate in the EFL Championship, ending the season as Champions and winning promotion back to the Premier League at its first attempt.

Turnover has decreased from £123.4m to £64.9m due to the Club competing in the EFL Championship and the associated reduction in broadcasting distributions. Despite the club recording profit on the disposal of player registrations of £11.4m, the decrease in turnover led to the Company recording a £27.0m post-tax loss for the financial year.

In anticipation of the forthcoming Premier League season, the club has invested heavily in strengthening its playing squad with a number of player additions during the Summer transfer window.

### **Directors' statement of compliance with duty to promote 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.

### *Long term consequences*

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 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.

# The Burnley Football & Athletic Company Limited

## Strategic Report (continued) For the Year Ended 31 July 2023

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### Directors' statement of compliance with duty to promote the success of the Company (continued)

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

Fans are the lifeblood of our football club and, as such, are always at the forefront when any major decisions are made. Key decision makers at the football club have regular meetings with the supporter groups and we are proud to have a growing number of overseas supporter groups.

We value our suppliers and have worked to cultivate 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.

Among other things, 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 Burnley Together.

#### *Code of Conduct, Business Ethics and Acting Fairly*

We have adopted a Code of Conduct and business ethics that applies to all of our employees, officers and directors. Our Code of Conduct addresses competition and fair dealing, conflicts of interest, financial matters and external reporting, company funds and assets, confidentiality and the process for reporting violations of the Code of Conduct.

### **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 league in which it competes. This would result in a reduction in the club's turnover and would bring forward debt reduction measures on external borrowings.

Another risk to the Company is the consequence of non-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 relevant rules and regulations.

# The Burnley Football & Athletic Company Limited

## Strategic Report (continued) For the Year Ended 31 July 2023

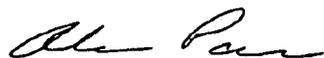
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### Key performance indicators

	2022/23	2021/22
League Position	1 <sup>st</sup>	18 <sup>th</sup>
FA Cup	Quarter Finals	3rd round
Carabao Cup	Round of 16	Round of 16
Average Home league gate	19,953	19,317
Wage: Turnover ratio	82.68%	74.53%

The Club made the Quarter Final of the FA Cup and competed in the Round of 16 of the Carabao Cup. The Club ended the season as Champions and won promotion back to the Premier League.

This report was approved by the board and signed on its behalf.



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**A G Pace**  
**Director**

Date: 19 December 2023

# The Burnley Football & Athletic Company Limited

## Directors' Report For the Year Ended 31 July 2023

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The directors present their report together with the audited financial statements for the year ended 31 July 2023.

### Principal activity

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

### Results and dividends

The loss for the year, after taxation, amounted to £27,024,000 (2022 – profit of £31,389,000).

No ordinary dividends were paid (2022 - £Nil). The directors do not recommend payment of a final dividend.

### Directors

The directors who served during the year were:

A G Pace  
J W Banaszkiwicz (Resigned 30 June 2023)  
M L Smith  
A D Parra  
S Hunt  
M L Garlick (Resigned 30 June 2023)  
D W Checketts

### Going concern

These financial statements are prepared on a going concern basis. The directors have reasonable expectation that the company will continue in operation existence for the foreseeable future. The directors are aware of uncertainties involving player trading, which are referenced in the audit report and note 2.3 titled Going Concern.

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 be able to meet its obligations as they become due and therefore remain confident it will continue to be a going concern.

### Streamlined Energy and Carbon Reporting

The Company has taken the exemption available to subsidiary companies not to disclose information in respect of greenhouse gas emissions, energy consumption and energy efficiency action given this is disclosed in the consolidated financial statements of the ultimate parent company, Burnley FC Holdings Limited.

### Future developments

The Board is committed to the ongoing support of Vince and the team in their pursuit of retaining Premier League status.

# The Burnley Football & Athletic Company Limited

## Directors' Report (continued) For the Year Ended 31 July 2023

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### **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 business operations.

In respect of bank balances and third party borrowings, credit and liquidity risk is managed by ensuring sufficient funds are available to meet payables as they fall due by prudent cash management and continuous monitoring of budgets and forecasts. Cash balances are held in such a way that achieves a competitive rate of interest.

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.

### **Engagement with employees**

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.

### **Disabled employees**

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.

### **Matters covered in the Strategic Report**

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Directors consider them to be of strategic importance to the Company.

### **Disclosure of information to auditor**

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

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

# The Burnley Football & Athletic Company Limited

**Directors' Report (continued)**  
**For the Year Ended 31 July 2023**

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## **Events after the reporting period**

Details of significant events affecting the Company since the year end have been provided in note 29 of the financial statements.

## **Auditor**

The auditor, BDO LLP, is deemed reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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**A G Pace**  
**Director**

Date: 19 December 2023

# **The Burnley Football & Athletic Company Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 July 2023**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; 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 to 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 Members of The Burnley Football & Athletic Company Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2023 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.

We have audited the financial statements of The Burnley Football & Athletic Company Limited ("the Company") for the year ended 31 July 2023 which comprise Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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.

### Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements concerning the company's ability to continue as a going concern. Should the forecasts, which include receipts from player trading, continuation of external facilities, receipts of factored receivables and operating cost reductions, prepared by the board not be realised, the company would need to find further sources of funding in order to bridge its cash flow position until appropriate player transactions are fulfilled. As stated in note 2.3, these events or conditions indicate that a material uncertainty exists which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 to the Members of The Burnley Football & Athletic Company Limited (continued)

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### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### Other Companies Act 2006 reporting

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

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 or the Directors' report.

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

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

### Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

# The Burnley Football & Athletic Company Limited

## Independent Auditor's Report to the Members of The Burnley Football & Athletic Company Limited (continued)

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### **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.

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

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

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Financial Reporting Standard FRS 102 and the Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be industry related such as compliance with employment law and health and safety regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;

# The Burnley Football & Athletic Company Limited

## Independent Auditor's Report to the Members of The Burnley Football & Athletic Company Limited (continued)

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- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.
- Assessing significant estimates made by management for bias which includes assessing the valuation of intangible asset relating to player registration rights for impairment indicators, none of which were found.

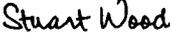
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

### Use of our report

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

DocuSigned by:  
  
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Stuart Wood (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

19 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## The Burnley Football & Athletic Company Limited

### Statement of Comprehensive Income For the Year Ended 31 July 2023

		Operations excluding player trading	Player trading	Total	Operations excluding player trading	Player trading As restated	Total As restated
	Note	2023 £000	2023 £000	2023 £000	As restated 2022 £000	2022 £000	2022 £000
Turnover	4	64,899	-	64,899	123,407	-	123,407
<b>Gross profit</b>		<b>64,899</b>	<b>-</b>	<b>64,899</b>	<b>123,407</b>	<b>-</b>	<b>123,407</b>
Other operating income	5	890	-	890	1,232	-	1,232
Staff costs	6	(53,661)	-	(53,661)	(91,978)	-	(91,978)
Depreciation		(1,653)	-	(1,653)	(1,611)	-	(1,611)
Other operating expenses		(29,621)	-	(29,621)	(18,798)	-	(18,798)
<b>Operating (loss)/profit excluding player trading</b>	<b>7</b>	<b>(19,146)</b>	<b>-</b>	<b>(19,146)</b>	<b>12,252</b>	<b>-</b>	<b>12,252</b>
Amortisation of player registrations		-	(22,115)	(22,115)	-	(23,638)	(23,638)
Profit on disposal of player registrations		-	11,399	11,399	-	54,250	54,250
<b>Operating (loss)/profit</b>	<b>7</b>	<b>(19,146)</b>	<b>(10,716)</b>	<b>(29,862)</b>	<b>12,252</b>	<b>30,612</b>	<b>42,864</b>
Interest receivable and similar income	8			2,804			75
Interest payable and similar expenses	9			(8,081)			(1,678)
<b>(Loss)/Profit before tax</b>				<b>(35,139)</b>			<b>41,261</b>
Tax on profit/(loss)	10			8,115			(9,872)
<b>(Loss)/Profit for the financial year</b>				<b>(27,024)</b>			<b>31,389</b>

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 15 to 35 form part of these financial statements.

**The Burnley Football & Athletic Company Limited**  
Registered number:00054222

**Statement of Financial Position**  
As at 31 July 2023

	Note	2023 £000	2023 £000	As restated 2022 £000	As restated 2022 £000
<b>Non-current assets</b>					
Intangible assets	11		92,328		40,329
Tangible assets	12		9,870		10,164
Debtors: amounts falling due after more than one year	14		23,517		32,074
			<u>125,715</u>		<u>82,567</u>
<b>Current assets</b>					
Stocks	13	1,350		891	
Debtors: amounts falling due within one year	15	172,125		135,568	
Cash at bank and in hand		20,545		12,873	
			<u>194,020</u>	<u>149,332</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(115,264)		(89,898)	
<b>Net current assets</b>			<u>78,756</u>		<u>59,434</u>
<b>Total assets less current liabilities</b>			<u>204,471</u>		<u>142,001</u>
Creditors: amounts falling due after more than one year	17		(116,905)		(19,296)
<b>Provisions for liabilities</b>					
Deferred tax	20		(4,709)		(12,824)
<b>Net assets</b>			<u>82,857</u>		<u>109,881</u>
<b>Capital and reserves</b>					
Called up share capital	21		77		77
Share premium account	22		11,219		11,219
Profit and loss account	22		71,561		98,585
<b>Total equity</b>			<u>82,857</u>		<u>109,881</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**A G Pace**  
Director

Date: 19 December 2023

The notes on pages 15 to 35 form part of these financial statements.

## The Burnley Football & Athletic Company Limited

### Statement of Changes In Equity For the Year Ended 31 July 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
<b>At 1 August 2021 (as previously stated)</b>	<b>77</b>	<b>11,219</b>	<b>65,783</b>	<b>77,079</b>
Prior year adjustment – correction of error	-	-	1,413	1,413
<b>At 1 August 2021 (as restated)</b>	<b>77</b>	<b>11,219</b>	<b>67,196</b>	<b>78,492</b>
<b>Comprehensive Income for the year</b>				
Profit for the year (as restated)	-	-	31,389	31,389
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>31,389</b>	<b>31,389</b>
<b>At 1 August 2022</b>	<b>77</b>	<b>11,219</b>	<b>98,585</b>	<b>109,881</b>
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(27,024)	(27,024)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(27,024)</b>	<b>(27,024)</b>
<b>At 31 July 2023</b>	<b>77</b>	<b>11,219</b>	<b>71,561</b>	<b>82,857</b>

The notes on pages 15 to 35 form part of these financial statements.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 1. General information

The Burnley Football & Athletic Company Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activity are set out in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

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

The following principal accounting policies have been applied:

#### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Burnley FC Holdings Limited as at 31 July 2023 and these financial statements may be obtained from Turf Moor, Harry Potts Way, Burnley, Lancashire, United Kingdom, BB10 4BX.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 2. Accounting policies (continued)

#### 2.3 Going concern

These financial statements are prepared on a going concern basis. The directors have reasonable expectation that the company will continue in operation existence for the foreseeable future. The directors are aware certain uncertainties which could cause doubt on the company's ability to continue as a going concern if they were to arise and remain unremedied.

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 as with all such clubs will incur a significant reduction in turnover as 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 more sustainable for a Championship club. In this scenario the company would expect significant reduction in wages and salaries, which will be largely achieved by contractual means existing in player and employee contracts and player transfers. The company has also forecast a net inflow of cash from player trading, as is common for many clubs relegated from the Premier League. In such a case, to support the company's obligations, the directors will consider and utilise financing options available, including but not limited to, player receivable financing. In the event that the company's financial performance varies or is less than that modelled, the directors are satisfied that sufficient funds can be generated or otherwise obtained by the Company, if this was absolutely necessary.

The current football transfer market remains strong, and the company believes that future potential player trading consistent with forecasts is reasonably achievable. The underlying models contain key judgments about future player trading which are subject to a significant degree of uncertainty, along with other variables. If player trading results were to be materially less than forecasts, and the operating budget modeled otherwise remained unchanged, the resulting conditions if unresolved would indicate a material uncertainty which may cast doubt about the company's ability to continue as a going concern if unresolved and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be necessary should the going concern basis of preparation no longer be appropriate.

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 be able to meet its obligations as they become due and therefore remain confident it will continue to be a going concern.

#### 2.4 Foreign currency translation

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 2. Accounting policies (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expenses'.

#### 2.5 Turnover

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

Turnover is stated exclusive of VAT, and match receipts are recognised net of payments owed to visiting clubs, the Premier League the FA and the Football League. Gate and other matchday revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts.

#### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.7 Other operating income

Other operating income relates to youth football development grants. Income is recognised once the Company is entitled to the income, which is when the claim is submitted.

#### 2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.10 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.



# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 2. Accounting policies (continued)

#### *Player registrations and signing on fees*

Player registrations costs including transfer fees, levy 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.

#### **2.13 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 2-10% per annum
Plant and vehicles	- 10-25% per annum
Fixtures and fittings	- 10-15% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 2. Accounting policies (continued)

#### 2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.16 Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. If the collection date is greater than one year, the receivables are presented as non-current assets. If the receivables are expected to be collected within one year, they are presented as current assets.

#### 2.17 Cash and cash equivalents

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

#### 2.18 Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. If the payment date is greater than one year, the payables are presented as non-current liabilities. If the payables are expected to be paid within one year, they are presented as current liabilities.

#### 2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 2. Accounting policies (continued)

#### 2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 3. Judgements in applying accounting policies 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.

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

The Company has an outstanding debtor balance of £59,076,000 (2022 - £69,750,000) due from the undertaking of Calder Vale Holdings Limited, which arose mostly in relation to the acquisition of Burnley FC Holdings Limited during a prior 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 reporting 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 For the Year Ended 31 July 2023

### 4. Turnover

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Match income	8,726	7,021
Television rights	47,812	104,894
Catering sales	2,342	1,739
Other commercial activities	3,195	7,738
Retail sales	2,824	2,015
	<u>64,899</u>	<u>123,407</u>

All turnover arose within the United Kingdom.

### 5. Other operating income

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Youth football development grant	<u>890</u>	<u>1,232</u>

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 6. Employees

Staff costs were as follows:

	2023	2022
	£000	£000
Wages and salaries	46,807	82,009
Social security costs	6,737	9,828
Cost of defined contribution scheme	117	141
	53,661	91,978

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

	2023	2022
	No.	No.
Players, managerial and training staff	156	152
Sales, administration and ancillary staff	409	306
	565	458

### 7. Operating profit/(loss)

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

	2023	2022
	£000	As restated £000
Depreciation of tangible fixed assets	1,653	1,611
Amortisation of player registrations	22,115	23,638
Exchange differences	(976)	(357)
Profit on disposal of player registrations	(11,399)	(54,250)
Other operating lease rentals	1,447	1,677
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	60	60
	60	60

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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<b>8. Interest receivable and similar income</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank interest receivable	361	53
Finance income on player trading debtor	2,443	22
	<u>2,804</u>	<u>75</u>

<b>9. Interest payable and similar expenses</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Finance leases and hire purchase contracts	181	67
Other loan interest payable	3,503	245
Bank loan interest payable	2,522	-
Finance expense on player trading creditors	1,875	1,366
	<u>8,081</u>	<u>1,678</u>

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 10. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits/(losses) for the year	-	-
Adjustments in respect of previous periods	-	10
<b>Total current tax</b>	<b>-</b>	<b>10</b>
Deferred tax		
Origination and reversal of timing differences	(8,138)	9,197
Changes to tax rates	23	665
<b>Total deferred tax</b>	<b>(8,115)</b>	<b>9,862</b>
<b>Taxation on (loss)/profit</b>	<b>(8,115)</b>	<b>9,872</b>

#### Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 21% (2022 - 19%). The differences are explained below:

	2023 £000	As restated 2022 £000
(Loss)/profit before tax	(35,139)	41,261
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 21% (2022 - 19%)	(7,379)	7,840
Effects of:		
Expenses not deductible for tax purposes	18	40
Fixed asset timing differences	70	(385)
Group relief surrendered/(claimed)	163	(472)
Adjustments to tax charge in respect of prior periods	-	10
Adjustments to tax charge in respect of previous periods - deferred tax	23	665
Movement in deferred tax not recognised	345	-
Change in tax rate on deferred tax balances	(1,355)	2,174
<b>Total tax (credit)/charge for the year</b>	<b>(8,115)</b>	<b>9,872</b>

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 11. Intangible assets

	Player registrations £000	Website £000	Total £000
<b>Cost</b>			
At 1 August 2022 (as restated)	136,710	-	136,710
Additions	84,120	267	84,387
Disposals	(87,288)	-	(87,288)
At 31 July 2023	<u>133,542</u>	<u>267</u>	<u>133,809</u>
<b>Amortisation</b>			
At 1 August 2022 (as restated)	96,381	-	96,381
Charge for the year	22,115	-	22,115
Disposals	(77,015)	-	(77,015)
At 31 July 2023	<u>41,481</u>	<u>-</u>	<u>41,481</u>
<b>Net book value</b>			
At 31 July 2023	<u>92,061</u>	<u>267</u>	<u>92,328</u>
At 31 July 2022 (as restated)	<u>40,329</u>	<u>-</u>	<u>40,329</u>

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 12. Tangible fixed assets

	Leasehold improvements £000	Plant and vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 August 2022	16,202	3,567	2,753	22,522
Additions	901	239	219	1,359
Disposals	-	-	-	-
At 31 July 2023	<u>17,103</u>	<u>3,806</u>	<u>2,972</u>	<u>23,881</u>
<b>Depreciation</b>				
At 1 August 2022	7,272	2,677	2,409	12,358
Charge for the year	1,333	248	72	1,653
Disposals	-	-	-	-
At 31 July 2023	<u>8,605</u>	<u>2,925</u>	<u>2,481</u>	<u>14,011</u>
<b>Net book value</b>				
At 31 July 2023	<u>8,498</u>	<u>881</u>	<u>491</u>	<u>9,870</u>
At 31 July 2022	<u>8,930</u>	<u>890</u>	<u>344</u>	<u>10,164</u>

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

	2023 £000	2022 £000
Leasehold improvements	<u>2,469</u>	<u>3,007</u>

### 13. Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	<u>1,350</u>	<u>891</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Impairment losses totaling £Nil (2022 - £Nil) were recognised in profit and loss.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 14. Debtors: amounts falling due after more than one year

	2023 £000	2022 £000
Trade debtors	21,252	30,311
Prepayments and accrued income	2,265	1,763
	<u>23,517</u>	<u>32,074</u>

Included within trade debtors due after more than one year is £21,252,000 (2022 - £30,311,000) relating to amounts due from other football clubs.

### 15. Debtors: amounts falling due within one year

	2023 £000	2022 £000
Trade debtors	19,141	34,489
Amounts owed by group undertakings	148,688	94,280
Other debtors	-	383
Prepayments and accrued income	4,296	2,731
Corporation tax recoverable	-	3,685
	<u>172,125</u>	<u>135,568</u>

Included within trade debtors due within one year is £17,884,000 (2022 - £33,059,000) relating to amounts due from other football clubs.

Amounts owed by group undertakings are interest free and repayable on demand.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 16. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	37,245	18,542
Amounts owed to group undertakings	-	1,000
Other taxation and social security	4,281	13,805
Obligations under finance lease and hire purchase contracts	925	1,918
Proceeds of factored debts	13,876	13,874
Other creditors	2,091	2,811
Accruals and deferred income	52,471	37,948
Bank loan	4,375	-
	<u>115,264</u>	<u>89,898</u>

Included within trade creditors is £33,835,000 (2022 - £16,404,000) which relate to a football clubs.

Amounts owed to group undertakings are interest free and repayable on demand.

Hire purchase and finance leases are secured over the assets to which they relate.

The proceeds of factored debts are secured over the trade debtors to which they relate.

### 17. Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Trade creditors	31,915	13,321
Obligations under finance leases and hire purchase contracts	-	925
Proceeds of factored debts	16,995	3,361
Accruals and deferred income	2,370	1,689
Bank loan	65,625	-
	<u>116,905</u>	<u>19,296</u>

Included within trade creditors is £31,915,000 (2022 - £13,321,000) which relate to amounts due to other football clubs.

Hire purchase and finance leases are secured over the assets to which they relate.

The proceeds of factored debts are secured over the trade debtors to which they relate.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 18. Loans

The maturity of sources of debt finance are as follows:

	2023 £000	2022 £000
Amounts falling due within one year		
Bank loan	4,375	-
Amounts falling due 2-5 years		
Bank loan	65,625	-
	<u>70,000</u>	<u>-</u>

Bank loan bears interest of 11.23% per annum and is secured by way of fixed and floating charges over the assets of the Company and its fellow group undertakings, Longside Properties Limited. The principal element of the loan is due for final repayment by the Company in May 2027, with interest and principal payments being required in instalments, providing the club remains in the Premier League. For any period during which the club is not in the Premier League, the timeline within which the requirement on the Company to make principal payments is brought forward.

### 19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £000	2022 £000
Within one year	925	1,918
Between 1-5 years	-	925
	<u>925</u>	<u>2,843</u>

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 20. Deferred taxation

	2023 £000
At beginning of year	12,824
Charged to profit or loss	(8,115)
At end of year	<u>4,709</u>

The provision for deferred taxation is made up as follows:

	2023 £000	2022 £000
Accelerated capital allowances	432	1,472
Tax losses carried forward	(3,856)	-
Intangible fixed asset timing differences	8,139	11,364
Short term timing differences	(6)	(12)
	<u>4,709</u>	<u>12,824</u>

### 21. Share capital

	2023 £000	2022 £000
<b>Allotted, called up and fully paid</b>		
77,419 (2022 - 77,419) Ordinary shares of £1.00 each	<u>77</u>	<u>77</u>

All shares have full rights in respect of voting, dividends and distributions.

### 22. Reserves

The Company's capital and reserves are as follows:

#### Share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on the issue of equity shares, net of any issue costs.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

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### 23. Prior year adjustment

There has been a restatement identified in relation to the 31 July 2022 year-end:

- The 31 July 2022 year end figures have been restated. This is to correct the accounting for transfer levies incurred, which were expensed in the prior year instead of being recognised as an intangible asset. Intangible assets relating to player registrations, amortisation of player registrations and opening profit and loss reserves have increased by £1,585k, £935k and £1,412k respectively. Other operating expenses and profit on disposal of player registrations have decreased by £1,577k and £469k respectively.

### 24. 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 reporting date, the maximum contingent liability which has not been provided for was £21,991,000 (2022 - £8,806,000).

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 reporting date, the maximum contingent asset was £5,608,000 (2022 - £14,200,000), none of which has been recognised as an asset.

### 25. Capital commitments

At 31 July 2023 the Company had capital commitments as follows:

	2023 £000	2022 £000
Contracted for but not provided in these financial statements	-	-

### 26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £117,000 (2022 - £141,000). Contributions totaling £26,000 (2022 - £47,000) were payable to the fund at the reporting date and are included in creditors.

# The Burnley Football & Athletic Company Limited

## Notes to the Financial Statements For the Year Ended 31 July 2023

### 27. Commitments under operating leases

At 31 July 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	9	10
Later than 1 year and not later than 5 years	4	13
	<u>13</u>	<u>23</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 2023, the total future minimum lease payments under these agreements was £107,910,000 (2022 - £109,230,000), due in instalments over the next 81 years. The uplift on prior year commitments reflects an updated valuation of the rental charge. Any future amendments to this agreement are at the discretion of the Group's board of directors.

### 28. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

The Company has an outstanding debtor balance of £59,076,000 (2022 - £69,765,000) due from Calder Vale Holdings Limited, an intermediate parent undertaking of the Company.

The Company has an outstanding creditor balance of £nil (2022 - £1,000,000) due to ALK Capital LLC, the Company's ultimate parent undertaking.

During the period, the Company paid a management fee of £2,500,000 (2022 - £1,500,000) to an affiliated entity for various management services provided under contract.

### 29. Events after the reporting period

Subsequent to the close of our reporting period, the club entered into a number of transactions that strengthened our playing squad, resulting in incremental net transfer payables of £39,383,000.

On 6 October 2023, an intermediate parent undertaking of the Company, Calder Vale Holdings Limited, transferred 100% of its share ownership in the Company's immediate parent undertaking, Burnley FC Holdings Limited, to Velocity Capital (UK) Holdings Ltd, a company registered in England and Wales. The address of Velocity Capital (UK) Holdings Ltd's registered office is One Mayfair Place Level 1, Devonshire House, Mayfair, London, United Kingdom, W1J 8AJ.

# **The Burnley Football & Athletic Company Limited**

## **Notes to the Financial Statements For the Year Ended 31 July 2023**

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### **30. Controlling party**

The Company's immediate parent undertaking and smallest Group in which the results of the Company are consolidated is that headed by Burnley FC Holdings Limited. The address of Burnley FC Holdings Limited's registered office is Turf Moor, Harry Potts Way, Burnley, Lancashire, United Kingdom, BB10 4BX.

The ultimate parent undertaking is ALK Capital LLC, a company organised in the United States. ALK Capital LLC does not prepare consolidated financial statements.

A G Pace is considered to be the ultimate controlling party.