

Burnley FC Holdings Limited

Annual Report and Financial Statements

Year Ended

31 July 2022

Company Number 08335231

Burnley FC Holdings Limited

Company Information

Directors	A G Pace M L Smith A D Parra S Hunt M L Garlick D W Checketts J W Banaszkiewicz
Company secretary	M R Williams
Registered number	08335231
Registered office	Turf Moor Harry Potts Way Burnley Lancashire United Kingdom BB10 4BX
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Burnley FC Holdings Limited

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Burnley FC Holdings Limited

Group Strategic Report For the Year Ended 31 July 2022

The directors present their Group Strategic Report together with the audited financial statements for the year ended 31 July 2022.

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 2022.

Turnover increased £8.3m, or 7.2%, on the strength of resumed ticket sales and hospitality revenues from the restoration of fans in the seats. The Group reported its 8th consecutive year of positive operating profit excluding player trading, generating £11.2m for the year. In anticipation of lower turnover next season due to relegation, the Group sold several player registrations, generating a £54.7m profit. The Group used a portion of these proceeds to pay down £20m of debt with the remainder available for deployment to squad investment and funding operations in the Championship. Our Statement of Financial Position reflects net assets of £104.9m, among the highest levels in Group history.

The Group hired Vincent Kompany as its full-time first team manager in June 2022.

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 Group'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.

Burnley FC Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 July 2022

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. Senior executives and 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 Group 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 other partners across the area to deliver food parcels to those most in need via the Burnley Community Kitchen and Burnley Together.

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

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

The principal risk to the Group is the possibility of the football club's relegation from the league in which it competes, which would result in a reduction in the Group's turnover. This risk is managed by various means, which are detailed in note 2.4.

Another risk to the Group is the consequence of non-compliance with FA and English Football League rules and regulations, in particular Financial Fair Play regulations. The Group takes all necessary steps to ensure compliance with relevant rules and regulations.

Burnley FC Holdings Limited

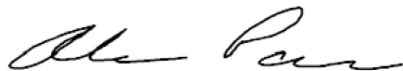
Group Strategic Report (continued) For the Year Ended 31 July 2022

Key performance indicators

	2021/22	2020/21
League Position	18th	17th
FA Cup	3rd round	3rd round
Carabao Cup	4th round	4th round
		N/A - Covid-19
Average Home league gate	19,317	restrictions
Wage: Turnover ratio	75.01%	74.66%

The Club made the 3rd round of the FA Cup and competed in the 4th round of the Carabao Cup. The Club lost its last match of the season, finishing in 18th place, leading to relegation. We experienced significant fan support with average home attendance above 19,000 and kept our wages in check at 75% of turnover, in line with the previous season.

This report was approved by the board on 28 April 2023 and signed on its behalf.



.....
A G Pace
Director

Burnley FC Holdings Limited

Directors' Report For the Year Ended 31 July 2022

The directors present their report together with the audited financial statements for the year ended 31 July 2022.

Principal activity

The principal activity of the Company is that of a holding company.

The principal activity of the Group is the operation of a professional football club.

Results and dividends

The profit for the year, after taxation, amounted to £25,896,000 (2021 - loss of £2,552,000).

No ordinary dividends were paid (2021 - £Nil). The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

A G Pace
M L Smith
A D Parra
S Hunt
M L Garlick
D W Checketts
J W Banaszkiwicz

Going concern

Relegation from the Premier League in May 2022 meant the Group incurred a significant reduction in turnover the following season as full Premier League broadcasting revenue was reduced by parachute payments.

The Group sold a number of player registrations and replaced them with newly acquired talent, raising funds and significantly reducing total salaries. The Group reduced its borrowings to a sustainable level more sustainable for the Championship and subsequently refinanced its debt at a much lower interest rate. Borrowings will reduce over time, reducing financial pressure on the club.

The reduction in total wages and the influx of cash from transfer fees more than offset the loss of broadcasting revenue due to relegation. The Group now has a stable, lower cost foundation should it remain in the Championship. The directors are satisfied that further cash can be generated from player transfers, if necessary.

The nature of the football industry naturally involves a certain degree of uncertainty when preparing financial forecasts. The directors have considered the financial stability and cash resources of the Group for the next 12 months from the date of signing these financial statements. The football club has recently been promoted to the Premier League and has factored in prospective fee payments from the league into our forward financial planning. Based on their assessment, the directors are satisfied that the Group will have sufficient resources available to be able to meet its obligations as they come due.

Burnley FC Holdings Limited

Directors' Report (continued) For the Year Ended 31 July 2022

Greenhouse gas emissions, energy consumption and energy efficiency action

Greenhouse gas emissions, energy consumption and energy efficiency action The Group has analysed part of its obligations as an industrial user and emitter of CO₂ 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 electric kWh consumption across all our properties for the period was 3,283,882 (2021 – 2,395,968). Using the UK Government GHG Conversion Factors for Company Reporting advisory tables, to convert this energy consumption into tonnes of carbon dioxide equivalent (CO₂e), equates to 665.02 tonnes (2021 – 532.23 tonnes). The total gas kWh consumption across all our properties for the period was 1,180,785 (2021 – 2,640,866). Using the UK Government GHG Conversion Factors for Company Reporting advisory tables, to convert this energy consumption into tonnes of carbon dioxide equivalent (CO₂e), equates to 239.7 tonnes (2021 – 536.51 tonnes). The CO₂e emissions from travel equate to 63 tonnes (2021 - 159 tonnes). Therefore, the Group's total emissions in CO₂e is 967.73 (inc. travel emissions) tonnes (2021 - 1,274 tonnes), which equates to 1.86 tonnes (2021 - 5 tonnes) per employee.

Future developments

As of the date of the filing of these financial statements, the Company has qualified for promotion to the Premier League for the 2023-2024 season.

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 Group'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 Group's performance.

Burnley FC Holdings Limited

Directors' Report (continued) For the Year Ended 31 July 2022

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 Group continues and that the appropriate training is arranged. It is the policy of the Group 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 Group 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 Group.

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 and the Group'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 and the Group's auditor is aware of that information.

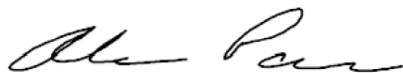
Events after the reporting period

Details of significant events affecting the Group since the year end have been provided in note 31 of the financial statements.

Auditor

The auditor, BDO LLP, was appointed during the year and will be proposed for reappointment in accordance with section 485 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: 28 April, 2023

Burnley FC Holdings Limited

Directors' Responsibilities Statement For the Year Ended 31 July 2022

The directors are responsible for preparing the Group 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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

Burnley FC Holdings Limited

Independent Auditor's Report to the Members of Burnley FC Holdings Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 July 2022 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Burnley FC Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 July 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group and the Parent 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.

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 Group or Parent 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.

Burnley FC Holdings Limited

Independent Auditor's Report to the Members of Burnley FC Holdings Limited (continued)

Other information

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

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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Burnley FC Holdings Limited

Independent Auditor's Report to the Members of Burnley FC Holdings Limited (continued)

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:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, the financial reporting framework and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue recognition. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries indicating large or unusual transactions based on our understanding of the business;
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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.

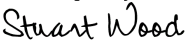
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Burnley FC Holdings Limited

Independent Auditor's Report to the Members of Burnley FC Holdings Limited (continued)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent 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
United Kingdom

Date: 28 April 2023

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

Burnley FC Holdings Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 July 2022

		Operations excluding player trading 2022 £000	Player trading 2022 £000	Total 2022 £000	Operations excluding player trading 2021 £000	Player trading 2021 £000	Total 2021 £000
	Note						
Turnover	4	123,407	-	123,407	115,101	-	115,101
Gross profit		123,407	-	123,407	115,101	-	115,101
Other operating income	5	1,232	-	1,232	1,712	-	1,712
Staff costs	6	(91,978)	-	(91,978)	(85,934)	-	(85,934)
Depreciation		(2,370)	-	(2,370)	(1,791)	-	(1,791)
Other operating expenses		(19,130)	-	(19,130)	(13,006)	-	(13,006)
Operating profit excluding player trading	7	11,161	-	11,161	16,082	-	16,082
Amortisation of player registrations		-	(22,703)	(22,703)	-	(21,411)	(21,411)
Profit on disposal of player registrations		-	54,719	54,719	-	5,102	5,102
Operating profit/(loss)	7	11,161	32,016	43,177	16,082	(16,309)	(227)
Interest receivable and similar income	9			75			36
Interest payable and similar expenses	10			(7,172)			(2,793)
Profit/(loss) before taxation				36,080			(2,984)
Tax on profit/(loss)	11			(10,184)			432
Profit/(loss) for the financial year				25,896			(2,552)

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 19 to 41 form part of these financial statements.

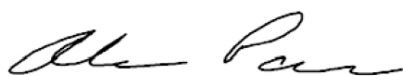
Burnley FC Holdings Limited

Registered number:08335231

Consolidated Statement of Financial Position As at 31 July 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	12		38,743		34,331
Tangible assets	13		32,138		31,092
			<u>70,881</u>		<u>65,423</u>
Current assets					
Stocks	15	891		849	
Debtors	16	188,175		113,512	
Cash at bank and in hand		12,873		50,225	
		<u>201,939</u>		<u>164,586</u>	
Creditors: amounts falling due within one year	17	(114,934)		(71,673)	
Net current assets			<u>87,005</u>		<u>92,913</u>
Total assets less current liabilities			<u>157,886</u>		<u>158,336</u>
Creditors: amounts falling due after more than one year	18		(39,296)		(75,816)
Provisions for liabilities					
Deferred taxation	21		(13,698)		(3,524)
Net assets			<u>104,892</u>		<u>78,996</u>
Capital and reserves					
Called up share capital	22		122		122
Share premium account	23		4,676		4,676
Merger reserve	23		11,220		11,220
Profit and loss account	23		88,874		62,978
Total equity			<u>104,892</u>		<u>78,996</u>

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



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A G Pace
Director

Date: 28 April, 2023

The notes on pages 19 to 41 form part of these financial statements.

Burnley FC Holdings Limited

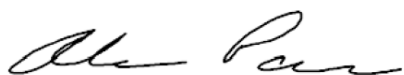
Registered number:08335231

Company Statement of Financial Position As at 31 July 2022

	Note	2022 £000	2022 £000	As restated 2021 £000	As restated 2021 £000
Fixed assets					
Investments	14		1,391		1,391
Current assets					
Debtors	16	47,884		67,884	
Current liabilities					
Creditors: amounts falling due within one year	17	(32,771)		(2,277)	
Net current assets			15,113		65,607
Total assets less current liabilities			16,504		66,998
Non-current liabilities					
Creditors: amounts falling due after more than one year	18		(20,000)		(65,000)
Net (liabilities)/assets			(3,496)		1,998
Capital and reserves					
Called up share capital	22		122		122
Share premium account	23		4,676		4,676
Profit and loss account	23		(8,294)		(2,800)
Total (deficit)/equity			(3,496)		1,998

The Company's loss for the year was £5,494k (2021 - £2,793k).

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



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A G Pace
Director

Date: 28 April, 2023

The notes on pages 19 to 41 form part of these financial statements.

Burnley FC Holdings Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 July 2022

	Called up share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 August 2020	122	4,676	11,220	65,530	81,548
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,552)	(2,552)
Total comprehensive loss for the year	-	-	-	(2,552)	(2,552)
At 1 August 2021	122	4,676	11,220	62,978	78,996
Comprehensive income for the year					
Profit for the year	-	-	-	25,896	25,896
Total comprehensive income for the year	-	-	-	25,896	25,896
At 31 July 2022	122	4,676	11,220	88,874	104,892

The notes on pages 19 to 41 form part of these financial statements.

Burnley FC Holdings Limited

Company Statement of Changes in Equity For the Year Ended 31 July 2022

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total deficit £000
At 1 August 2020	122	4,676	(7)	4,791
Comprehensive loss for the year				
Loss for the year (as restated)	-	-	(2,793)	(2,793)
Total comprehensive loss for the year	-	-	(2,793)	(2,793)
At 1 August 2021 (as previously stated)	122	4,676	(7)	4,791
Prior year adjustment - correction of error	-	-	(2,793)	(2,793)
At 1 August 2021 (as restated)	122	4,676	(2,800)	1,998
Comprehensive loss for the year				
Loss for the year	-	-	(5,494)	(5,494)
Total comprehensive loss for the year	-	-	(5,494)	(5,494)
At 31 July 2022	122	4,676	(8,294)	(3,496)

The notes on pages 19 to 41 form part of these financial statements.

Burnley FC Holdings Limited

Consolidated Statement of Cash Flows For the Year Ended 31 July 2022

	2022 £000	As restated 2021 £000
Cash flows (used in)/from operating activities		
Profit/(loss) for the financial year	25,896	(2,552)
Adjustments for:		
Amortisation of intangible assets	22,703	21,411
Depreciation of tangible assets	2,370	1,791
Profit on disposal of intangible assets	(54,719)	(5,102)
Interest payable	7,172	2,793
Interest receivable	(75)	(36)
Taxation charge/(credit)	10,184	(432)
(Increase)/decrease in stocks	(42)	37
Increase in debtors	(676)	(1,829)
Decrease in creditors	(19,233)	(981)
Corporation tax received	-	2,372
Interest paid	(5,494)	(2,793)
Net cash generated (used in)/from operating activities	(11,914)	14,679
Cash flows used in investing activities		
Purchase of intangible fixed assets	(20,439)	(12,006)
Sale of intangible assets	7,353	9,281
Purchase of tangible fixed assets	(3,416)	(5,371)
New loans to group undertakings	(10,000)	(37,000)
Interest received	53	36
Net cash from investing activities	(26,449)	(45,060)
Cash flows from financing activities		
Proceeds of factored debts	17,235	-
Repayment of bank loans	(20,000)	-
Repayment of finance leases	(524)	-
Proceeds from sale and finance leaseback arrangement	3,300	-
New loans from group companies	1,000	-
Net cash from financing activities	1,011	-
Net decrease in cash and cash equivalents	(37,352)	(30,381)

Burnley FC Holdings Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 July 2022

	2022 £000	As restated 2021 £000
Cash and cash equivalents at beginning of year	50,225	80,606
Cash and cash equivalents at the end of year	12,873	50,225
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,873	50,225

The notes on pages 19 to 41 form part of these financial statements.

See note 25 for details of the prior year restatement.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

1. General information

Burnley FC Holdings 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 Group'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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of Longside Properties Limited using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The consolidated financial statements incorporate the results of The Burnley Football & Athletic Company Limited using the merger method for business reconstructions.

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.4 Going concern

Relegation from the Premier League in May 2022 meant the Group incurred a significant reduction in turnover the following season as full Premier League broadcasting revenue was reduced by parachute payments.

The Group sold a number of player registrations and replaced them with newly acquired talent, raising funds and significantly reducing total salaries. The Group reduced its borrowings to a sustainable level more sustainable for the Championship and subsequently refinanced its debt at a much lower interest rate. Borrowings will reduce over time, reducing financial pressure on the club.

The reduction in total wages and the influx of cash from transfer fees more than offset the loss of broadcasting revenue due to relegation. The Group now has a stable, lower cost foundation should it remain in the Championship. The directors are satisfied that further cash can be generated from player transfers, if necessary.

The nature of the football industry naturally involves a certain degree of uncertainty when preparing financial forecasts. The directors have considered the financial stability and cash resources of the Group for the next 12 months from the date of signing these financial statements. The football club has recently been promoted to the Premier League and has factored in prospective fee payments from the league into our forward financial planning. Based on their assessment, the directors are satisfied that the Group will have sufficient resources available to be able to meet its obligations as they come due.

2.5 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated 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'.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.6 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 owing 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.

2.7 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 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

2.9 Operating leases: the Group 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.

2.10 Interest income

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

2.11 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.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.13 Intangible assets

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.

Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life. Goodwill is fully amortised.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.14 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:

Freehold land and buildings	- 2-10% per annum
Plant and vehicles	- 12.5-25% 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.

2.15 Leased assets: the Group 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.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.18 Debtors

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

2.19 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

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

2.21 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.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

2. Accounting policies (continued)

2.22 Financial instruments

The Group 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 Consolidated 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 Group 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.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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 Group 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 Group has prepared forecasts which are subject to judgements and assumptions, when concluding there is no material uncertainty over the Group'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 Group has an outstanding debtor balance of £114,765,000 (2021 - £102,000,000) due from the undertaking of Calder Vale Holdings Limited, which arose in relation to the acquisition of Burnley FC Holdings Limited during the year. Of this balance £45,000,000 (2021 - £65,000,000) is a payable to Burnley FC Holdings Limited, with £69,765,000 (2021 - £37,000,000) payable to The Burnley Football & Athletic Company Limited. 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 Group'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 Burnley Football & Athletic Company Limited 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.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

4. Turnover

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

	2022 £000	2021 £000
Match income	7,021	355
Television rights	104,894	103,853
Catering sales	1,739	115
Other commercial activities	7,738	9,183
Retail sales	2,015	1,595
	<u>123,407</u>	<u>115,101</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £000	2021 £000
Youth football development grant	<u>1,232</u>	<u>1,712</u>

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

6. Employees

Staff costs were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	82,009	77,269	-	-
Social security costs	9,828	8,523	-	-
Cost of defined contribution scheme	141	142	-	-
	91,978	85,934	-	-

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

	2022 No.	2021 No.
Players, managerial and training staff	152	133
Sales, administration and ancillary staff - full time	83	85
Sales, administration and ancillary staff - part time	38	49
	273	267

The Company had no employees, other than the directors, who received no remuneration during the year.

In addition to the above, the Group employed 185 (2021 - 5) temporary staff on match days.

The directors of Burnley FC Holdings Limited are considered to be the key management personnel of the Group. None of the directors received remuneration from the Group during the current or previous year.

7. Operating profit/(loss)

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

	2022 £000	2021 £000
Exchange differences	(357)	-
Depreciation of tangible fixed assets	2,370	1,791
Amortisation of player registrations	22,703	21,411
Profit on disposal of player registrations	(54,719)	(5,102)
Other operating lease rentals	357	311

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

8. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the consolidated and parent Company's financial statements	10	2
Fees payable to the Company's auditor and its associates in respect of:		
The auditing of accounts of associates of the Company	70	45
Audit-related assurance services	-	15
Taxation compliance services	22	17
All non-audit services not included above	25	16
	<u>127</u>	<u>95</u>

9. Interest receivable and similar income

	2022 £000	2021 £000
Bank interest receivable	53	36
Finance income on player trading debtors	22	-
	<u>75</u>	<u>36</u>

10. Interest payable and similar expenses

	2022 £000	2021 £000
Other loan interest payable	5,494	2,793
Finance leases and hire purchase contracts	67	-
Other interest payable	245	-
Finance expense on player trading creditors	1,366	-
	<u>7,172</u>	<u>2,793</u>

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

11. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	10	(3,274)
Total current tax	10	(3,274)
Deferred tax		
Origination and reversal of timing differences	9,405	2,561
Changes to tax rates	107	281
Adjustments in respect of prior periods	662	-
Total deferred tax	10,174	2,842
Taxation on profit/(loss)	10,184	(432)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit/(loss) before tax	36,080	(2,984)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	6,855	(567)
Effects of:		
Expenses not deductible for tax purposes	591	-
Depreciation for year in excess of capital allowances	-	49
Fixed asset differences	(3,246)	-
Adjustments to tax charge in respect of prior periods	10	-
Adjustments to tax charge in respect of prior periods - deferred tax	662	-
Timing differences not recognised in the computation	2,948	-
Changes in the tax rate for deferred tax	2,364	281
Enhanced capital allowances	-	(195)
Total tax charge/(credit) for the year	10,184	(432)

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

11. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2021 was substantively enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

12. Intangible assets

Group

	Player registrations £000	Goodwill £000	Total £000
Cost			
At 1 August 2021	124,884	173	125,057
Additions	40,959	-	40,959
Disposals	(33,386)	-	(33,386)
At 31 July 2022	132,457	173	132,630
Amortisation and impairment			
At 1 August 2021	90,553	173	90,726
Amortisation charge for the year	22,703	-	22,703
On disposals	(19,542)	-	(19,542)
At 31 July 2022	93,714	173	93,887
Net book value			
At 31 July 2022	38,743	-	38,743
At 31 July 2021	34,331	-	34,331

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

13. Tangible fixed assets

Group

	Freehold land and buildings £000	Plant and vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 August 2021	38,566	3,468	3,038	45,072
Additions	3,123	137	156	3,416
Disposals	-	(38)	-	(38)
At 31 July 2022	41,689	3,567	3,194	48,450
Depreciation				
At 1 August 2021	8,971	2,460	2,549	13,980
Charge for the year	1,902	255	213	2,370
Disposals	-	(38)	-	(38)
At 31 July 2022	10,873	2,677	2,762	16,312
Net book value				
At 31 July 2022	30,816	890	432	32,138
At 31 July 2021	29,595	1,008	489	31,092

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

	2022 £000	2021 £000
Freehold land and buildings	3,007	-

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost and net book value	
At 1 August 2021	1,391
At 31 July 2022	<u>1,391</u>

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
The Burnley Football & Athletic Company Limited	Professional football club	Ordinary	100%
Longside Properties Limited	Property letting	Ordinary	100%
Burnley FC Women Limited	Dormant	Ordinary	100%

The registered address of the above subsidiary undertakings is Turf Moor, Harry Potts Way, Burnley, Lancashire, United Kingdom, BB10 4BX.

15. Stocks

	Group 2022 £000	Group 2021 £000
Finished goods and goods for resale	<u>891</u>	<u>849</u>

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

Impairment losses totalling £Nil (2021 - £Nil) were recognised in profit and loss.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

16. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	As restated Company 2021 £000
Due after more than one year				
Trade debtors	30,311	260	-	-
Prepayments and accrued income	1,763	-	-	-
	32,074	260	-	-
Due within one year				
Trade debtors	34,494	2,439	-	-
Amounts owed by group undertakings	114,765	102,000	47,884	67,884
Other debtors	425	42	-	-
Prepayments and accrued income	2,732	5,076	-	-
Corporation tax recoverable	3,685	3,695	-	-
	188,175	113,512	47,884	67,884

Included within trade debtors after more than one year is £30,311,000 (2021 - £260,000) and included within trade debtors due within one year is £33,059,000 (2021 - £1,878,000) relating to amounts due from other football clubs.

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

See note 25 for details of the prior year restatement.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

17. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	As restated Company 2021 £000
Other loans	25,000	-	25,000	-
Trade creditors	18,542	6,232	-	-
Amounts owed to group undertakings	1,000	-	7,771	2,277
Other taxation and social security	13,838	10,630	-	-
Obligations under finance lease and hire purchase contracts	1,918	-	-	-
Proceeds of factored debts	13,874	-	-	-
Other creditors	2,810	-	-	-
Accruals and deferred income	37,952	54,811	-	-
	114,934	71,673	32,771	2,277

Included within trade creditors is £16,404,000 (2021 - £3,245,000), 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 over the trade debtors to which they relate.

See note 25 for details of the prior year restatement.

18. Creditors: amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Other loans	20,000	65,000	20,000	65,000
Trade creditors	13,321	6,000	-	-
Obligations under finance leases and hire purchase contracts	925	-	-	-
Proceeds of factored debts	3,361	-	-	-
Accruals and deferred income	1,689	4,816	-	-
	39,296	75,816	20,000	65,000

Included within trade creditors is £13,321,000 (2021 - £6,000,000), 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 over the trade debtors to which they relate.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

19. Loans

The maturity of sources of debt finance are as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Amounts falling due within one year				
Other loans	25,000	-	25,000	-
Amounts falling due 2-5 years				
Other loans	20,000	65,000	20,000	65,000
	45,000	65,000	45,000	65,000

Other loans bear interest of SONIA + 8% (2021 - LIBOR + 8%) per annum and are secured by way of fixed and floating charges over the assets of the Company and its fellow group undertakings, The Burnley Football & Athletic Company Limited and Longside Properties Limited. The interest payments on the loan have been made by the Company's subsidiary, The Burnley Football & Athletic Company Limited. It is anticipated that future interest payments are likely to be made by the Company's subsidiary, The Burnley Football & Athletic Company Limited and that it will remain involved in the financing of future capital repayments on behalf of Burnley FC Holdings Limited. The capital element of the loan is due for repayment by the Company in December 2025, with interest only payments being required up to that point, providing the club remains in the Premier League. For any period during which the club is not in the Premier League, the Company is required to make principal payments equal to 75% of parachute payments, provided that payment shall not exceed £25m during the 2022-2023 season.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000
Within one year	1,918	-
Between 1-5 years	925	-
	2,843	-

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

21. Deferred taxation

Group

	2022 £000
At beginning of year	3,524
Charged to profit or loss	10,174
At end of year	13,698

The provision for deferred taxation is made up as follows:

	Group 2022 £000	Group 2021 £000
Accelerated capital allowances	2,346	1,974
Tax losses carried forward	-	(462)
Short term timing differences	(12)	-
Intangible fixed asset timing differences	11,364	2,012
	13,698	3,524

22. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
122,478 (2021 - 122,478) Ordinary shares of £1.00 each	122	122

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

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

23. Reserves

The Group and 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.

Merger Reserve

The merger reserve represents the difference between the fair value and the nominal value of shares issued in consideration with business combinations.

Profit and loss account

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

24. Analysis of net debt

	At 1 August 2021 £000	Cash flows £000	Other non- cash changes £000	At 31 July 2022 £000
Cash at bank and in hand	50,225	(37,352)	-	12,873
Debt due after 1 year	(65,000)	20,000	25,000	(20,000)
Debt due within 1 year	-	-	(25,000)	(25,000)
Loans from group undertakings	-	(1,000)	-	(1,000)
Finance leases	-	(2,776)	(67)	(2,843)
Proceeds of factored debts	-	(17,235)	-	(17,235)
	<u>(14,775)</u>	<u>(38,363)</u>	<u>(67)</u>	<u>(53,205)</u>

Other non-cash transactions relate to loan ageing adjustments and accrued interest.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

25. Prior year adjustments

The following restatements have been identified in relation to the 31 July 2021 year-end:

- Interest payable in the parent company has increased by £2,793k due to this being recognised as interest payable in another group entity is error. The impact of this adjustment is to increase interest payable by £2,793k, increase amounts owed to group by £2,277k and reduce amounts owed by group by £516k. This restatement has decreased profit for the prior year by £2,793k. A corresponding entry has been made in The Burnley Football & Athletic Company Limited so there is no impact on the Group results from this adjustment.
- The cash flow statement has been restated to present new loans issued to group undertakings of £37m as an investing activity rather than than financing activity. The impact of this adjustment is an decrease in cash from investing activities of £37m and corresponding increase in cash from financing activities.

26. Contingent liabilities and assets

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 £8,806,000 (2021 - £2,840,000).

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 £14,200,000 (2021 - £6,950,000) none of which has been recognised as an asset.

27. Capital commitments

At 31 July 2022 the Group and Company had capital commitments as follows:

	Group 2022 £000	Group 2021 £000
Contracted for but not provided in these financial statements	-	1,000

28. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £141,000 (2021 - £142,000). Contributions totalling £47,000 (2021 - £25,000) were payable to the fund at the reporting date and are included in creditors.

Burnley FC Holdings Limited

Notes to the Financial Statements For the Year Ended 31 July 2022

29. Commitments under operating leases

At 31 July 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000
Not later than 1 year	10	9
Later than 1 year and not later than 5 years	13	9
	<u>23</u>	<u>18</u>

30. Related party transactions

The Group has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with its wholly owned subsidiaries.

The Group has an outstanding debtor balance of £114,765,000 (2021 - £102,000,000) due from its immediate parent undertaking, Calder Vale Holdings Limited.

The Group has an outstanding creditor balance of £1,000,000 (2021 - £Nil) due to its ultimate parent undertaking, ALK Capital LLC.

During the year, the Group paid a management fee of £1,500,000 to an affiliated entity for various management services provided under contract.

31. Events after the reporting period

On 10 November, 2022, a subsidiary of the Group, The Burnley Football & Athletic Company Limited, entered into a new loan agreement with a UK lender which provided loan proceeds of £39,748,458 at a 7.5% fixed rate of interest. The proceeds of this loan were used to repay in full the loan balance then outstanding with a US based lender, which carried a much higher interest rate.

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 £8,870,550.

32. Controlling party

The Company's immediate parent undertaking is Calder Vale Holdings Limited, a company registered in England and Wales. The address of Calder Vale Holdings Limited's registered office is One Mayfair Place Level 1, Devonshire House, Mayfair, London, United Kingdom, W1J 8AJ.

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.