



Burnley Football Club.

Holdings Limited

CHAIRMAN'S REPORT YEAR ENDED 30 JUNE 2018

COMPANY REGISTRATION NUMBER: 08335231

On behalf of the board of directors, we are pleased to present the annual report and accounts for the year ended 30 June 2018.

Following the successful retention of our Premier League status at the third time of asking in 2016/17, I felt it was absolutely essential that we should avoid the dreaded 'second season' syndrome and as a result we continued to invest in new playing talent whilst trading players where we felt that they might be at, or close to, the peak of their value.

As we hopefully continue to maintain our Premier League status going forward the above will form a key part of our strategy and in the main we will purchase players who improve the quality and competitiveness of our first team and are able to technically develop further and grow in value.

Sean and his coaching team performed magnificently throughout the season, inspiring our team to a 7th place Premier League finish and resulting in our first appearance in a European competition for over 50 years.

We can genuinely lay claim to being classed as 'the best of the rest' and in many ways we were the champions of the Premier League second tier - a remarkable achievement!

Financially, our turnover increased from £121m to £139m, largely because of our increased prize money for finishing 7th.

Profit after tax grew from £22m to £37m, the increase being largely the result of the sale of Michael Keane to Everton and Andre Gray to Watford. The profit on player sales is recognised in one year (player purchase costs are recognised over their contract - normally 3-4 years) whereas we only typically get paid for them over 3 years.

As always, we continue to keep a close eye on our cash flow position as, despite the above impressive figures, with poor cash management we could easily fall into a negative cash flow position.

Wages grew from £61m to £81m as a result of our determination to be more competitive in the market, coupled with increased bonuses for both players and coaching staff due to our 7th place finish. The Premier League 'wages league' is one we are certainly not bottom of anymore, but we believe our wage structure gives a high level of flexibility for all scenarios and a competitive edge for our players and management to continue to drive our great club forward.

In closing, I would like to thank all shareholders and fans for their fantastic support during the season - a season which I'm sure we will all remember for a long time with great memories.

The journey continues onwards!

Keep the faith

Mike Garlick
Chairman