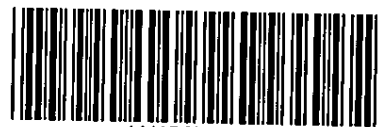


BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

COMPANY INFORMATION

Directors	H R Knight M J Perry R Bloom D Chapman R F Comer
Secretary	R F Comer
Company number	1258519
Registered office	North West Suites Tower Point 44 North Road Brighton BN1 1YR
Auditors	Mazars LLP Chartered Accountants & Registered Auditors 37 Frederick Place Brighton BN1 4EA

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

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BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

The directors present their report and the financial statements for the year ended 30 June 2007

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Principal activities

The principal activity of the company during the year was that of an intermediate holding company for the Brighton and Hove Albion group.

Business review

The company was dormant throughout the year.

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

Directors

The directors who served during the year were

H R Knight
M J Perry
R Bloom
D Chapman
R F Comer

According to the register of directors' interests, no director had any beneficial interest in the shares of the company at any time during the year ended 30 June 2007. No director of the company at any time during the year ended 30 June 2007 had a right to subscribe for shares or debentures in the company and no option was exercised or granted during the year in this respect.

The directors' interests in the ultimate holding company, Brighton and Hove Albion Holdings Limited, are disclosed in the financial statements of that company.

Dividends

The directors do not recommend payment of a dividend.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 27th March 2008 and signed on its behalf

Director



BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

We have audited the financial statements of Brighton and Hove Sports and Leisure Limited for the year ended 30 June 2007 set out on pages 5 to 8. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation. The financial statements have been prepared on a going concern basis and the validity of this depends on the ability of the directors to generate sufficient further funding and the continued support of the directors in providing adequate loan facilities. The financial statements do not include any adjustments that would result from a failure to obtain such funding and support. Details relating to this matter are described in note 1.4. Our opinion is not qualified in this respect.

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its results for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Mazars LLP

Mazars LLP

Chartered Accountants &
Registered Auditors

37 Frederick Place
Brighton
BN1 4EA

Date *22 April 2008*

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2007

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

BALANCE SHEET AS AT 30 JUNE 2007

	Note	£	2007 £	£	2006 £
Fixed assets					
Fixed asset investments	2		2		2
Current assets					
Debtors	3	112,711		112,711	
Creditors: amounts falling due within one year	4	(75,000)		(75,000)	
Net current assets			37,711		37,711
Total assets less current liabilities			37,713		37,713
Capital and Reserves					
Called up share capital	5		121,711		121,711
Profit and loss account			(83,998)		(83,998)
Shareholders' funds	6		37,713		37,713

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

 27th March 2008.

Director

The notes on pages 6 to 8 form part of these financial statements

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.3 Consolidation

The financial statements present information about Brighton and Hove Sports and Leisure Limited as an individual undertaking and not about its group as it is a small or medium group and is therefore entitled to exemption under Section 248 of the Companies Act 1985 from preparing group accounts.

1.4 Going concern

The financial statements have been prepared on a going concern basis on the grounds that the directors of the ultimate holding company, Brighton and Hove Albion Holdings Limited, have indicated their willingness to support the company by providing adequate loan facilities to meet the financial obligations of the company as they fall due for a period of at least twelve months from the date on which these financial statements were signed.

2. Fixed asset investments

	Shares in group under- takings £
Cost	
At 1 July 2006 and 30 June 2007	84,000
Amounts written off	
At 1 July 2006 and 30 June 2007	83,998
Net book value	
At 30 June 2007	2
At 30 June 2006	2

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

2. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

The Brighton and Hove Albion Football Club Limited	Ordinary 99.87%
Albion Sports and Leisure Limited	Ordinary 100%

The aggregate of the share capital and reserves as at 30 June 2007 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
The Brighton and Hove Albion Football Club Limited	(14,064,259)	(2,826,911)
Albion Sports and Leisure Limited	(16,989)	-
	<u> </u>	<u> </u>

Both companies are registered in England & Wales. Albion Sports and Leisure Limited is a dormant company. The Brighton and Hove Albion Football Club Limited is a professional member of the Football League and Association.

3. Debtors

	2007 £	2006 £
Amounts owed by group undertakings	<u>112,711</u>	<u>112,711</u>

4. Creditors: Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>75,000</u>	<u>75,000</u>

5. Share capital

	2007 £	2006 £
Authorised		
145,999 Ordinary shares of £1 each	<u>145,999</u>	<u>145,999</u>
Allotted, called up and fully paid		
121,711 Ordinary shares of £1 each	<u>121,711</u>	<u>121,711</u>

BRIGHTON AND HOVE SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

5. Share capital (continued)

6 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Shareholders' funds at 1 July 2006 and 30 June 2007	37,713	37,713

7. Ultimate parent undertaking and controlling party

The ultimate parent company is Brighton and Hove Albion Holdings Limited, a company incorporated in England and Wales by virtue of its 100% holding of the company's issued ordinary share capital