

Brighton & Hove Albion Holdings Limited

Registered number: 02849319

Directors' report and financial statements

For the year ended 30 June 2016



BRIGHTON & HOVE ALBION HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A G Bloom (Chairman) P J Barber (CEO) R A Bloom D L Chapman R F Comer (Company Secretary) A S Franks P W Godfrey D A Jones (Finance Director) M J Perry M L Sugarman M J Walder (appointed 1 July 2016)
Company secretary	R F Comer
Registered number	02849319
Registered office	American Express Community Stadium Village Way Brighton BN1 9BL
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton Surrey SM1 4JQ

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

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BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

The chairman presents his statement for the period.

The 2015/16 season was one of the most memorable and exciting in my forty years as a Brighton & Hove Albion supporter. The team, under Chris Hughton's astute leadership, gave us a season to savour – and although we twice missed out on taking that final step to the Premier League, it has laid the foundation for our current season.

To compete at the top end of the Championship it's important to have a manager who knows how to win at this level and to possess a strong group of quality players. We have both, and while this does not guarantee promotion, it gives us an excellent chance.

Our increased losses result directly from an ongoing and growing investment in our playing squad, and Chris, Paul Winstanley, Paul Barber and I are very pleased with the squad. Furthermore, on the back of last season, we wanted to retain our key players, and our decision not to cash-in key assets has seen player trading go from a profit to a loss compared with the previous season, when we sold Leo Ulloa and Will Buckley.

Progress

Every year I have pointed out that ambitions are rarely realised overnight. The club has made steady and continued progress, and in particular I have been delighted with our player trading in the past three windows, two of which are reflected in these accounts (summer 2015 and January 2016). We have had another very good start to the current campaign, and hope that we can make that final step this season –although we all know just how competitive and tough the Championship is year after year. This year we have the added competition of the likes of Newcastle United, Aston Villa and Norwich City competing for one of those two automatic promotion places.

I would like to thank the board of directors, the majority of whom give their time and expertise to the club without charge. I would also like to thank Chris, his staff and all the playing squad, and wish them every success for the remainder of the season.

The work undertaken by our staff off the pitch – in maintaining the operating profits of the business and ensuring we remain operationally efficient – allowed us to achieve the majority of our off-the-pitch targets. With this in mind I would like to thank our staff for their ongoing hard work.

Community and Supporters

The local community will always be an important part of our focus, both for the club and its charitable arm Albion in the Community, and that involvement continues to affect the lives of many local people in such a positive and inspiring way. We have always played a significant role in the local community and we recognise the responsibility we have to both our supporters and many others via Albion in the Community.

We also recognise the importance of our fans and they remain the lifeblood of the Albion. Interacting and hearing their concerns will always be an important part of our identity. Recently we opened up the debate on safe standing, which has generated a lot of interest, and as a club we remain open-minded to a change in this area should the government make a change in legislation.

While I am chairman of the club we will always remain open to feedback and constructive criticism from our supporters, and we will continue to engage with our fans via all forms of communication and strive to continually improve all that we do.

The Future

I make no apology for repeating what I said in last season's Chairman's Statement. Our ambition remains for the club's teams, both men and women, to play at the highest level possible. As chairman (and a lifelong supporter of the club) I will do everything I possibly can to achieve that and I remain fully committed to that goal.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

We are keen to ensure all investments and player transactions are made with the club's long-term future, as well as short-term objectives, in mind. With permitted Financial Fair Play losses of £13m per year over a three year period, any Championship club without parachute payments wishing to compete for promotion will inevitably make significant losses, so it remains a delicate balancing act for the board as we strive to achieve our ultimate aim.

Name Tony Bloom
 Chairman

Date

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

Introduction

The principal activity of the group continues to be that of a professional football club as a member of the Football Association and the Football League.

Business review

	Jun-16 £'000	Jun-15 £'000
Turnover	24,648	23,681
Administrative and Operational Costs	-12,294	-11,817
Operating Profit before Football Costs and Depreciation	12,354	11,864
Depreciation	-4,933	-4,895
Player Trading	-2,637	6,326
Football Costs	-30,673	-23,734
Operating Loss	-25,889	-10,439

Financial Highlights

- Turnover increase 4%
- Admin and Operational Cost increase 4%
- Operating Profit before Football costs and depreciation increase 4%
- Loss on player trading compared to profit in the previous year
- Investment in Football Costs increased by 29%
- Operating Loss significant increase

The financial results for the year ending 30 June 2016 reflect a good season on the pitch for the Club, finishing 3rd in the Championship, but unfortunately missing out on promotion to the Premier League on goal difference and subsequently suffering defeat in the playoff semifinal. The increase in turnover is partly offset by an increase in administrative and operational costs, leaving a small increase in operating profit before football costs and depreciation. The deficit on player trading and increase in football costs demonstrates a significant investment in the playing squad. The overall operating loss of £25.9m is considerably higher than the previous period operating loss of £10.4m, which benefited from a large profit on player disposal.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

The key financial highlights are as follows:-

- **Turnover.** Average match day attendances were in line with the previous season at 25,583 compared to 25,649. Early exits in both cup competitions saw ticket income reduce from £9.8m to £9.4m. Football League and central distributions increased from £4.5m to £5.5m, due to an increased Football League basic award distribution together with a number of live televised matches. Our commercial income remained static at £5.5m, largely due to our contractual cycles. Catering and non-match day event income increased from £0.9m to £1.3m primarily as a result of the highly successful Rugby World Cup matches hosted at the stadium.
- **Administrative and Operational Costs.** The cost increase is partly linked to the increase in turnover, partly to higher stadium maintenance and running costs and partly due to a higher spend on stadium security measures.
- **Player Trading.** This represents the amortisation of purchased player registrations less the profit on sale of players. The 2015 accounts show a substantial profit on player trading of £6.3m primarily due to the sales of Leonardo Ulloa to Leicester and William Buckley to Sunderland. There were no significant player disposals in the 2015/16 season. The amortisation charge has increased from £2.4m to £3.8m following the strengthening of the playing squad during the season.
- **Football Costs.** We have continued to increase investment in our Football operations, and in particular player wages, in order to be as competitive as possible and give ourselves the best possible chance of success on the pitch.
- **Balance Sheet.** Whilst the Balance Sheet is showing a negative net asset position, funding for the group continues to be provided by its Chairman Tony Bloom by way of interest free loans and equity conversion.

Financial Fair Play

Clubs voted to increase the level of permitted losses to £13m effective from the start of the 2015/16 season. Based on the operating loss adjusted for depreciation and allowable expenditure such as our investment in our Category 1 academy, the Club will once again comply with the Football League's Financial Fair Play Rules for the 2015/16 season, as we have done each season since the inception of the regulations.

Playing Matters

The 2015/16 football season was a significant improvement on the prior season finishing 3rd in the championship with 89 points, equal with Middlesbrough but missing out on automatic promotion by virtue of goal difference. The play offs were disappointing, losing to Sheffield Wednesday in the semifinal.

The squad has been retained and further strengthened since the year end and at the time of writing the team have made a very promising start to the 2016-17 season.

Sponsors

The Club is grateful to its many sponsors and business partners who continue to support the club's growth. In particular, we would like to thank American Express and Nike. The Club is also grateful for the continued support and hard work of Sodexo. As our catering and non matchday events partner, Sodexo continue to provide an excellent service.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Supporters and Staff

The Board would like to take this opportunity to thank the Club's fans for their continued fantastic support and would also like to thank all our staff for their continued hard work, commitment and professionalism.

Future Developments

The Community Stadium Ltd (TCSL) a subsidiary company of Brighton and Hove Albion Holdings Ltd, is the owner of the Groups primary assets, The American Express Community Stadium and The American Express Elite Football Performance Centre. Both assets continue to have a high level of usage and are maintained to a high standard.

During the year TCSL submitted a planning application for a 150 bed hotel alongside The American Express Community Stadium. Unfortunately, planning permission was declined by the City Council. TCSL are now considering their options and are likely to submit a revised planning application in the near future and remain hopeful of a successful outcome.

On 24 March 2016, Brighton and Hove Albion Holdings Ltd acquired the entire issued share capital of New Monks Farm Development Ltd (NMFD). NMFD owns 140 acres of land adjoining The American Express Elite Football Performance Centre. This land is allocated within the emerging Adur District Council Local Plan for housing and commercial development.

Principal risk

The principal risk, as faced by all football clubs, is the risk of relegation and the adverse effect it would have on revenue streams and the ability to retain and recruit talented staff.

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



D A Jones
Director

Date: 30 Nov 2016

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £25,863,500 (2015 - loss £10,424,558).

The directors are unable to recommend the payment of a dividend (2015: £Nil).

Directors

The directors who served during the year were:

A G Bloom (Chairman)
P J Barber (CEO)
R A Bloom
D L Chapman
R F Comer (Company Secretary)
A S Franks
P W Godfrey
D A Jones (Finance Director)
M J Perry
M L Sugarman

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Employee involvement

Within the bounds of commercial confidentiality the club endeavours to keep staff at all levels informed of matters that affect the progress of the Group and are of interest to them as employees. The Group is an equal opportunities employer.

Disabled employees

Brighton and Hove Albion Football Club is committed to conform and eliminate discrimination. It is an equal opportunities employer committed to equal opportunity within its own organisation and to encourage similar commitment from every organisation we have business or social dealings. This policy covers the advertisement of jobs, job location or working environment, pay and employment terms and conditions, internal training and development activities.

Matters covered in the strategic report

Matters relating to principal activities, future developments, risks and uncertainties and KPIs are contained within the Group Strategic Report.

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.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *30 Nov 2016* and signed on its behalf.



R F Comer
Director

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRIGHTON & HOVE ALBION HOLDINGS LIMITED

We have audited the financial statements of Brighton & Hove Albion Holdings Limited for the year ended 30 June 2016 which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 the parent Company's affairs as at 30 June 2016 and of the Group's 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.3 to the financial statements concerning the group's ability to continue as a going concern. The group has net current liabilities of £159,970,745 and net liabilities of £13,202,969.

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 as explained in note 2.3 to the financial statements.

The financial statements do not include any adjustments that would result from a failure to obtain such funding and support.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRIGHTON & HOVE ALBION HOLDINGS LIMITED

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.



Alistair Fraser (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date: 1 December 2016

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
Turnover	4	24,648,011	23,681,063
Gross profit		<u>24,648,011</u>	<u>23,681,063</u>
Administrative expenses		(50,957,126)	(34,159,797)
Other operating income	5	<u>420,154</u>	<u>40,000</u>
Operating loss	6	<u>(25,888,961)</u>	<u>(10,438,734)</u>
Interest receivable and similar income	10	25,461	14,506
Interest payable and expenses		-	(330)
Loss before tax		<u>(25,863,500)</u>	<u>(10,424,558)</u>
Loss for the year		<u>(25,863,500)</u>	<u>(10,424,558)</u>
Loss for the year attributable to:			
Owners of the parent company		<u>(25,863,500)</u>	<u>(10,424,558)</u>
		<u>(25,863,500)</u>	<u>(10,424,558)</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 16 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED
REGISTERED NUMBER: 02849319

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	As restated 2015 £
Fixed assets				
Intangible assets	12		8,288,821	2,939,963
Tangible assets	14		141,143,474	145,018,969
Investment property	16		2,027,738	1,073,317
			<u>151,460,033</u>	<u>149,032,249</u>
Current assets				
Stocks	17	13,036,429		555,832
Debtors: amounts falling due within one year	18	2,552,133		4,180,713
Cash at bank and in hand	19	4,497,228		7,120,335
		<u>20,085,790</u>		<u>11,856,880</u>
Creditors: amounts falling due within one year	20	(180,056,556)		(155,636,702)
Net current liabilities			<u>(159,970,766)</u>	<u>(143,779,822)</u>
Total assets less current liabilities			<u>(8,510,733)</u>	<u>5,252,427</u>
Creditors: amounts falling due after more than one year	21		(3,186,714)	(3,591,896)
Provisions for liabilities				
Deferred taxation	22	(1,505,522)		-
			<u>(1,505,522)</u>	<u>-</u>
Net (liabilities)/assets			<u>(13,202,969)</u>	<u>1,660,531</u>
Capital and reserves				
Called up share capital	23		87,232,380	76,232,380
Profit and loss account	24		(100,435,349)	(74,571,849)
			<u>(13,202,969)</u>	<u>1,660,531</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 Nov 2016.


D A Jones
 Director

The notes on pages 16 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED
REGISTERED NUMBER: 02849319

COMPANY BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	As restated 2015 £
Fixed assets					
Investments	15		2,898,266		70,002
			<u>2,898,266</u>		<u>70,002</u>
Current assets					
Debtors: amounts falling due within one year	18	254,560,331		223,395,616	
		<u>254,560,331</u>		<u>223,395,616</u>	
Creditors: amounts falling due within one year	20	(170,482,026)		(147,489,047)	
Net current assets			<u>84,078,305</u>		<u>75,906,569</u>
Net assets			<u>86,976,571</u>		<u>75,976,571</u>
Capital and reserves					
Called up share capital	23		87,232,380		76,232,380
Profit and loss account	24		(255,809)		(255,809)
			<u>86,976,571</u>		<u>75,976,571</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 Nov 2016.


D A Jones
 Director

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Statement of Comprehensive Income	Total equity
	£	£	£
At 1 July 2015	76,232,380	(74,571,849)	1,660,531
Comprehensive income for the year			
Loss for the year	-	(25,863,500)	(25,863,500)
Total comprehensive income for the year	-	(25,863,500)	(25,863,500)
Shares issued during the year	11,000,000	-	11,000,000
Total transactions with owners	11,000,000	-	11,000,000
At 30 June 2016	87,232,380	(100,435,349)	(13,202,969)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Called up share capital	Statement of Comprehensive Income	Total equity
	£	£	£
At 1 July 2014	76,212,380	(64,147,291)	12,065,089
Loss for the year	-	(10,424,558)	(10,424,558)
Total comprehensive income for the year	-	(10,424,558)	(10,424,558)
Shares issued during the year	20,000	-	20,000
Total transactions with owners	20,000	-	20,000
At 30 June 2015	76,232,380	(74,571,849)	1,660,531

The notes on pages 16 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Statement of Comprehensive Income	Total equity
	£	£	£
At 1 July 2015	76,232,380	(255,809)	75,976,571
Contributions by and distributions to owners			
Shares issued during the year	11,000,000	-	11,000,000
Total transactions with owners	11,000,000	-	11,000,000
At 30 June 2016	87,232,380	(255,809)	86,976,571

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Called up share capital	Statement of Comprehensive Income	Total equity
	£	£	£
At 1 July 2014	76,212,380	(255,809)	75,956,571
Contributions by and distributions to owners			
Shares issued during the year	20,000	-	20,000
Total transactions with owners	20,000	-	20,000
At 30 June 2015	76,232,380	(255,809)	75,976,571

The notes on pages 16 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(25,863,500)	(10,424,558)
Adjustments for:		
Amortisation of intangible assets	3,796,612	2,374,586
Depreciation of tangible assets	4,932,539	4,894,873
Profit on disposal of intangible assets	(1,160,000)	(8,700,976)
Grants	(390,000)	(40,000)
Interest paid	-	330
Interest received	(25,461)	(14,506)
(Increase) in stocks	(10,975,077)	(485,359)
Decrease in debtors	1,628,582	553,724
Increase/(decrease) in creditors	1,453,872	(4,322,921)
Net cash generated from operating activities	<u>(26,602,433)</u>	<u>(16,164,807)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(9,145,468)	(3,369,417)
Sale of intangible assets	1,160,000	11,086,025
Purchase of tangible fixed assets	(1,057,044)	(3,964,488)
Purchase of investment properties	(954,421)	(1,073,317)
Interest received	25,461	14,506
Net cash from investing activities	<u>(9,971,472)</u>	<u>2,693,309</u>
Cash flows from financing activities		
Loans from directors	33,950,798	16,860,611
Interest paid	-	(330)
Net cash used in financing activities	<u>33,950,798</u>	<u>16,860,281</u>
Cash and cash equivalents at beginning of year	7,120,335	3,731,552
Cash and cash equivalents at the end of year	<u>4,497,228</u>	<u>7,120,335</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,497,228	7,120,335
	<u>4,497,228</u>	<u>7,120,335</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. General information

Brighton & Hove Albion Holdings Limited is a company limited by shares and registered in England and Wales. It's registered office is American Express Community Stadium, Village Way, Brighton, BN1 9BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 32.

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group 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 business combinations using the purchase method. In the Balance Sheet, 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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

2.3 Going concern

As at 30 June 2016 the group made a loss for the year of £25,863,500. The group has net current liabilities of £159,970,766 and net liabilities of £13,202,969.

The financial statements have been prepared on the going concern basis on the grounds that the chairman of the group has indicated his willingness to support the group by providing adequate loan facilities to enable the group to meet its financial obligations as they fall due for a period of at least twelve months from the date on which these financial statements are signed.

The financial statements make no provision for any adjustment should the going concern basis not be appropriate.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Match day revenue is recognised on the day the games are played. The revenue received in advance for season tickets is deferred and released in the season the ticket was purchased for.

Sponsorship and similar commercial income is recognised over the duration of the respective contracts.

Retail revenue is recognised at the point goods and services are allocated.

Facility fees for live television coverage of games are taken when earned.

Football League and central distribution revenue is recognised on an accruals basis.

Fees receivable in respect of the loan of players are included in turnover over the period of the loan.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The costs of players registrations are amortised over the period of their contract.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets 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:

Land and buildings	- 2% straight line
Motor vehicles	- 25% straight line
Fixtures, fittings & equipment	- 20 - 33% straight line

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 the Consolidated Statement of Comprehensive Income.

2.7 Investment property

Investment property is carried at fair value.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.9 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. Work in progress and finished goods include labour and attributable overheads.

Development land classed as stock, is stated at the lower of cost and net realisable value being the estimated selling price less the budgeted costs to complete. Cost is based on the cost of the purchase of the land and costs incurred to date in the development of the land. Selling price is based on the agreed consideration subject to exchange of contracts on the sale of the land.

At each balance sheet date, stocks including the development land 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 the Statement of Comprehensive Income.

2.10 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.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.11 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 Company's cash management.

2.12 Financial instruments

The Group only enters into basic financial instruments 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 non-puttable 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

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, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.13 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.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.16 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 payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change 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 balance sheet 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 Balance Sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

2.21 Player remuneration

Signing on fees in respect of players contracts are expensed to the profit and loss account over the term of their contract. Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements and any discretionary bonuses when there is a legal or constructive obligation

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

The preparation of the financial statements requires of management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management evaluates its estimates and judgements with reference to historical experience and expectations of future events and current market conditions.

In preparing these financial statements, the directors have had to make the following judgments:

Determine whether leases entered into by the Company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

Determine the fair value of the investment property.

Determine the allocation of costs to be capitalised in relation to property plant and equipment.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

4. Turnover

All turnover arose within the United Kingdom.

Analysis of turnover - group

	2016 £	2015 £
Ticketing	9,409,780	9,845,380
Football League and central distributions	5,469,021	4,557,250
Commercial sponsorship / advertising	5,515,734	5,588,459
Retail	1,283,726	1,217,391
Media	409,057	388,843
Catering and events	1,341,422	944,287
Academy grant	849,500	899,357
Women and girls	83,168	95,764
Other income	286,603	144,332
	<u>24,648,011</u>	<u>23,681,063</u>

5. Other operating income

	2016 £	2015 £
Other operating income	30,154	-
Grants receivable	390,000	40,000
	<u>420,154</u>	<u>40,000</u>

6. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	4,932,538	4,894,873
Amortisation of intangible assets, including goodwill	3,796,610	2,374,586
Defined contribution pension cost	206,940	140,960
Cost of stocks recognised as an expense	686,376	508,451
Operating lease payments	53,578	57,781
Grants receivable	(390,000)	(40,000)

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	16,915	15,450
	<u>16,915</u>	<u>15,450</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	2,500	2,025
All other services	4,500	4,400
	<u>7,000</u>	<u>6,425</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	24,126,436	18,295,026
Social security costs	3,050,070	2,205,088
Cost of defined contribution scheme	206,940	140,960
	<u>27,383,446</u>	<u>20,641,074</u>

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

	2016 No.	2015 No.
Players	73	61
Football operations	116	115
Management and administration	81	81
	<u>270</u>	<u>257</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	862,373	838,096
Company contributions to defined contribution pension schemes	66,980	103,677
	<u>929,353</u>	<u>941,773</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £578,213 (2015 - £558,177).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £40,000 (2015 - £38,500).

10. Interest receivable

	2016 £	2015 £
Bank interest receivable	25,461	14,506
	<u>25,461</u>	<u>14,506</u>

11. Taxation

	2016 £	2015 £
Taxation on loss on ordinary activities	-	-
	<u>-</u>	<u>-</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(25,863,500)	(10,424,558)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(5,172,700)	(2,084,912)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,056	3,008
Capital allowances for year in excess of depreciation	33,132	(185,389)
Short term timing difference leading to an increase (decrease) in taxation	789	(5,625)
Other timing differences leading to an increase (decrease) in taxation	(2)	-
Unrelieved tax losses carried forward	5,134,725	2,272,918
Total tax charge for the year	-	-

Factors that may affect future tax charges

At 30 June 2016, the group had approximately £125,000,000 (2015: £99,000,000) of trading losses to carry forward.

The group has a potential deferred tax asset of £19,886,248 (2015: £15,208,556) calculated at the tax rate of 20% (2015: 20%). The deferred tax asset has not been recognised as the directors do not anticipate utilisation of the tax losses in the foreseeable future.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

12. Intangible assets

Group and Company

	Player registrations £
Cost	
At 1 July 2015	9,324,417
Additions	9,145,468
Disposals	(4,293,701)
At 30 June 2016	<u>14,176,184</u>
Amortisation	
At 1 July 2015	6,384,454
Charge for the year	3,796,610
On disposals	(4,293,701)
At 30 June 2016	<u>5,887,363</u>
Net book value	
At 30 June 2016	<u>8,288,821</u>
At 30 June 2015	<u>2,939,963</u>

13. Parent company profit for the year

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 loss after tax of the parent Company for the year was £Nil (2015 - £Nil).

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

14. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation					
At 1 July 2015 (as previously stated)	145,610,067	28,390	2,566,870	8,620,677	156,826,004
Prior Year Adjustment	(1,291,974)	-	-	-	(1,291,974)
At 1 July 2015 (as restated)	144,318,093	28,390	2,566,870	8,620,677	155,534,030
Additions	142,397	-	466,978	447,669	1,057,044
At 30 June 2016	144,460,490	28,390	3,033,848	9,068,346	156,591,074
Depreciation					
At 1 July 2015	4,938,122	23,905	1,287,707	4,265,326	10,515,060
Charge for period on owned assets	2,712,956	4,485	531,990	1,683,107	4,932,538
At 30 June 2016	7,651,078	28,390	1,819,697	5,948,433	15,447,598
Net book value					
At 30 June 2016	136,809,412	-	1,214,151	3,119,913	141,143,476
At 30 June 2015 (as restated)	139,379,970	4,485	1,279,163	4,355,351	145,018,969

Land and buildings includes the cost of a premium of £5,300,000 payable for the lease of the stadium land. This lease is for a 125 year period from 28 August 2009.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
The Community Stadium Limited	England and Wales	Ordinary	100 %	Construction of facilities for the use of Brighton and Hove Albion Football Club
Brighton and Hove Albion Football Club	England and Wales	Ordinary	100 %	Professional football club and a member of the English Football League
Brighton and Hove Sports and Leisure Limited	England and Wales	Ordinary	100 %	Dormant
Albion Sports and Leisure Limited	England and Wales	Ordinary	100 %	Dormant
New Monks Farm Development Limited	England and Wales	Ordinary	100 %	Owens freehold of investment property

On 24 March 2016 the company acquired the whole of the share capital of New Monks Farm Development Limited for a total consideration of £2,828,264.

The fair value of the assets and liabilities acquired at 24 March 2016 were:

Stock - Land	£10,528,810
Other assets and liabilities	£(6,195,024)
Deferred Tax	£(1,505,522)

There was no goodwill arising on the acquisition.

The book values immediately prior to the acquisition were:

Stock	£3,001,200
Other assets and liabilities	£(6,195,024)

There has been no revenue or profit or loss for New Monks Farm Development Limited since the acquisition date.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 June 2016 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 Community Stadium Limited	(8,958,247)	(2,683,297)
The Brighton and Hove Albion Football Club Limited	(91,256,013)	(23,180,204)
Brighton and Hove Sports and Leisure Limited	(16,989)	-
Albion Sports and Leisure Limited	121,710	-
New Monks Farm Development Limited	(3,193,824)	-

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2015	325,711
Additions	2,828,264
At 30 June 2016	<u>3,153,975</u>
Impairment	
At 1 July 2015	255,709
At 30 June 2016	<u>255,709</u>
Net book value	
At 30 June 2016	<u>2,898,266</u>
At 30 June 2015	<u>70,002</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16. Investment property

Group

	Freehold investment property £
Valuation	
At 1 July 2015	1,073,317
Additions at cost	954,421
At 30 June 2016	2,027,738

The balance at 1 July 2015 of £1,073,317 and the additions in the year of £954,421 are expenditure incurred in relation to the Hotel development.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

17. Stocks

	2016 £	2015 £
Land for development	12,751,287	218,656
Goods for resale	285,142	337,176
	<u>13,036,429</u>	<u>555,832</u>

18. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	1,118,249	2,054,464	-	-
Amounts owed by group undertakings	-	-	254,560,331	223,395,616
Other debtors	115,942	120,968	-	-
Prepayments and accrued income	1,284,463	2,005,281	-	-
Tax recoverable	33,479	-	-	-
	<u>2,552,133</u>	<u>4,180,713</u>	<u>254,560,331</u>	<u>223,395,616</u>

19. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	4,497,228	7,120,335	-	-
	<u>4,497,228</u>	<u>7,120,335</u>	<u>-</u>	<u>-</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

20. Creditors: Amounts falling due within one year

	Group 2016 £	Group As restated 2015 £	Company 2016 £	Company As restated 2015 £
Other loans	140,902	140,902	-	-
Payments received on account	3,542,391	2,464,700	-	-
Trade creditors	1,121,621	1,340,361	-	-
Grants receivable	40,000	40,000	-	-
Amounts owed to group undertakings	-	-	8,998	8,998
Taxation and social security	1,521,136	829,771	-	-
Other creditors	170,622,121	147,671,323	170,473,028	147,480,049
Accruals and deferred income	3,068,385	3,149,645	-	-
	<u>180,056,556</u>	<u>155,636,702</u>	<u>170,482,026</u>	<u>147,489,047</u>

Included in other creditors is a loan amounting to £170,473,028 (30 June 2015 £147,480,048). Previously this loan was included in creditors falling due after more than one year. Having reviewed this, and taking into consideration the new reporting requirements of FRS 102, the loan has been reclassified as a creditor falling due within one year.

A cross guarantee and debenture exists between Brighton and Hove Albion Holdings Limited and The Community Stadium Limited.

21. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group As restated 2015 £	Company 2016 £	Company As restated 2015 £
Trade creditors	1,760,000	1,800,000	-	-
Accruals and deferred income	1,426,714	1,791,896	-	-
	<u>3,186,714</u>	<u>3,591,896</u>	<u>-</u>	<u>-</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

22. Deferred taxation

Group

	2016 £
Arising on business combinations	(1,505,522)
At end of year	(1,505,522)

The deferred taxation balance is made up as follows:

	Group 2016 £
Deferred tax at acquisition	(1,505,522)
	(1,505,522)

23. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
87,232,380 (2015 - 76,232,380) Ordinary shares of £1 each	87,232,380	76,232,380

On 20 July 2015, 11,000,000 Ordinary £1 shares were issued at par to A Bloom. The consideration for these shares was by way of capitalisation of his directors loan.

On 19 April 2016, the authorised share capital was increased from £100,000,000 to £200,000,000, the additional £100,000,000 being in the form of £1 Ordinary shares ranking pari passu in all respects with existing share capital.

On 27 July 2016, 8,000,000 Ordinary £1 shares were issued at par to A Bloom. The consideration for these shares was by way of capitalisation of his directors loan.

On 16 August 2016 the company created a further £40,000,000 in nominal amount of Convertible Unsecured Loan Notes. These loan notes together with those brought into existence on 13 March 2008 and 10 March 2009 were issued with a redeemable date of 31 December 2023.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

24. Reserves

Profit & loss account

This reserve represents the cumulative profit and losses of the group and company.

25. Prior year adjustment

Costs of £1,073,317, that were previously disclosed as fixed assets and relate to the development of property have been treated as investment property in accordance with FRS102. These are shown in note 15 as the brought forward balance at 1 July 2015. Costs of £218,656, that were previously disclosed as fixed assets and relate to the development of New Monks Farm, have been treated as stock and are shown in Note 16.

26. Contingencies

Under the terms of contracts with other football clubs in regard to player transfers, additional fees could become receivable and payable if certain defined performance criteria are fulfilled. The maximum that could be receivable is £812,500 (2015 - £2,062,500) and the maximum that could become payable is £2,307,853 (2015 - £2,330,000).

27. Capital commitments

At 30 June 2016 the Group and Company had capital commitments as follows:

	Group 2016 £
Contracted for but not provided in these financial statements	(491,089)
	<u>(491,089)</u>

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 £206,940 (2015 - £140,960). Contributions totaling £nil (2015 - £nil) were payable to the fund at the balance sheet date

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

29. Commitments under operating leases

At 30 June 2016 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2016 £	2015 £
Not later than 1 year	41,563	7,081
Later than 1 year and not later than 5 years	31,422	34,462
	<u>72,985</u>	<u>41,543</u>

30. Related party transactions

Directors loan account

During the year to 30 June 2016, the loans made A Bloom to both The Community Stadium Limited and The Brighton and Hove Albion Football Club Limited were consolidated in Brighton and Hove Albion Holdings Limited. At 30 June 2016, the amount owed to A Bloom by the company was £170,473,028 (2015: £147,480,048). The amount loaned is interest free and repayable within one year.

Other

During the year, Dr E Perry, the wife of M Perry (director), invoiced the company £20,280 (2015 - £nil) for counselling services provided following the Shoreham Air Disaster. The company made payments to Dr E Perry of £16,340 and at the year end owed Dr E Perry £3,940 (2015 - £nil).

Key Management Personnel Remuneration

The directors are considered to be the key management personnel and their remuneration is disclosed in Note 9.

31. Controlling party

As at 30 June 2016, the ultimate controlling party was A Bloom by virtue of his 93% shareholding.

32. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.