

# **Brentford FC Limited**

Report and Financial Statements

Year Ended

30 June 2016

Company Number 03642327

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# **Brentford FC Limited**

## **Report and financial statements for the year ended 30 June 2016**

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### **Directors**

C Crown FCA (Chairman)  
D G Kerr (Vice Chairman)  
D L Merritt  
P A Whall (Resigned 27 July 2016)  
M J Power  
N S Raj  
P Giles (Appointed 12 September 2016)  
R Ankersen (Appointed 12 September 2016)

### **Secretary and registered office**

L Hall, Griffin Park, Braemar Road, Brentford, Middlesex, TW8 0NT

### **Company number**

03642327

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Brentford FC Limited**

## **Chairman's statement for the year ended 30 June 2016**

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### **Chairman's statement**

After an exhilarating year in 2014/15 there were some not inconsiderable challenges in 2015/16 which only goes to prove once again that in football you never know what's around the corner. But if you want to be prepared, then imagine the worst and hope for the best!

### **Executive Summary**

Our second season in the Championship was a topsy-turvy affair. It started badly, improved for a while in the lead up to Christmas, before a very poor run of results saw us drop down the table during a very difficult three month period to the end of March. We then embarked on a nine game run at the end of the season that saw Championship winning form, enabling us to finish a very respectable 9th, thereby consolidating our position as a top 10 championship club.

We appointed a Dutch coach but that proved not to be a success. An early decision to change the team management saw Lee Carsley step into the breach and, having stabilised the team's performances, enabled us to bring forward the search for a permanent replacement, leading us to Dean Smith, who has just celebrated a year in charge at Brentford thereby exceeding the average life expectancy of a Championship manager. I am delighted to say that we are very happy with Dean's appointment and subsequent progress as head coach.

### **The Season**

On the pitch, the club also underwent significant change in the close season. It was never going to be easy replacing Alex Pritchard (who returned to Tottenham), who I considered to be our stand out performer from last season and things were certainly not helped when Jota suffered a nasty injury on the first day of the season before ultimately moving back to Spain without ever getting close to the heights of the previous season. Andreas Bjelland, our record signing, was also added to the long term injury list in the first week of the season, and Josh McEachran, joining from Chelsea, struggled for full fitness in those early months. The sales of Andre Gray and Moses Odubajo in particular and the arrival of so many new players in the close season, many from abroad, meant that the bedding in process needed to happen quite quickly and for various reasons that just didn't materialise.

A difficult start with just two wins in our first ten games was followed by eight wins and only two defeats in our next fourteen games so that at the turn of the year we were in a good position to kick on. Some of our new recruits settled in quickly, notably Maxime Colin and Ryan Woods, but others took time to adapt to the frenetic pace of Championship football. Sergi Canos, who joined us in August on loan from Liverpool, was proving a thorn in the side of many of our opponents and both he and Ryan Woods vied for goal of the day, and possibly the season, in the away game against Reading. John Swift, another loanee, from Chelsea, also made a significant contribution to the team with his goals from midfield.

During the January transfer window, James Tarkowski decided he was unable to play against Burnley and this ultimately led to him leaving the club, but only once we had received a price which reflected the value which we had placed on him. In contrast to the previous window, with the exception of Tarkowski and Toumani Diagouraga, we made no further changes.

One win in thirteen games in the three months to 31 March saw us plummet down the table and as April began, some of us were looking nervously over our shoulder. A bad mistake by a Forest defender led to a poacher's goal from Lasse Vibe and we never looked back after that. This was achieved despite the loss of Alan Judge to a terrible tackle in the first minute of the Ipswich game in early April, an injury that didn't only rob us of his talent, but possibly the Irish Euro 2016 team too, as I am sure he would have gone on to be named in their squad. Ultimately he was named, deservedly so, in the Championship team of the season. On the positive side, this period coincided with the return to league action of Scott Hogan, who scored 7 goals in that period without ever completing ninety minutes in a game as he eased himself back after 18 months out, and also a purple patch of scoring from Lasse Vibe, culminating in a marvellous last day of the season when we went to Huddersfield and won 5-1.

# **Brentford FC Limited**

## **Chairman's statement for the year ended 30 June 2016**

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### **Football management team**

As referred to above, and in my report last year, we made an early change by releasing Marinus and Roy from their roles and in November, after Lee Carsley's interim tenure, we appointed the management team of Dean Smith and Richard O'Kelly from Walsall. Dean and Richard have settled in well and have proven themselves genuinely nice guys who are easy to work with. They understand our football philosophy and have bought into the 'edges' that we are using to be able to compete at this level. I should add that the whole feel of the club is vastly improved compared to this time last year and that is largely down to the work done by Phil Giles and Rasmus Ankersen who as Co Directors of Football have introduced structure and organisation to the football department. Their recent appointment to the Board in part recognises the excellent work they have done and continue to do for the club.

After some very considered deliberation and soul searching, we made the decision, in May 2016, to close our Academy. This change was made for a number of reasons but ultimately to enable us to focus our energies on creating a B team which could augment and support the first team, and to create a clear pathway for that B team squad to the first team, if they are able to show they are capable of the step up. It was a very tough decision but ultimately we believe it was the right one for the club. This was a prime example of where, having considered all the issues, we made a brave and bold decision to withdraw from the EPPP scheme. It was not taken lightly and I do not think we will be the last club to come to the same conclusion we did about how best to manage a scarce resource, and where our focus should lie.

In a season fraught with challenges 'Pitchgate' was arguably the most challenging for our operations and non-football management team but as a result of another decision where we dared to be different, we quickly installed a Motz pitch which has performed beyond expectations. It looked as good, if not better, for our last home game of the season when we beat Fulham 3-0 as it did when it was first used back in August.

### **Post End of Season Events**

In last year's Chairman's statement, I anticipated that 2015/16 would be a year of consolidation before we kick on again and I don't see this year as being any different. The Championship is a very tough league to get out of and there is very little to choose between the vast majority of clubs. You only have to look at the table today to see that the points' difference between 6th and 22nd is just 12 points! Three wins on the trot can move you from flirting with relegation to just outside the play offs and so predicting the outcome of any season, for anyone (other than an expert) is a fools' game. However, our target is unashamedly to obtain promotion. Our success means that our best players become targets for the bigger clubs but let me assure you that no one leaves Brentford unless our valuation of the player has been met. We do not need to sell to survive and so we can afford to ensure that a player only leaves the club when the price is right!

The Board and the management team continue to work on our business strategy and we will focus on that over the next few years to deliver the sustainable football club that we are aiming to create.

### **Finances**

The account for the year under review show a loss on ordinary activities before interest and other income of £7,636,553 (2015 - £14,670,999) with a loss after tax of £12,612,750 (2015 - £17,667,667). This has once again been financed in a number of ways, including the purchase by Matthew Benham of ordinary shares and the provision of a series of loans to fund working capital, the academy and the new stadium development.

Matthew Benham's total investment in the club, by way of equity and loan capital at 30th June 2016 stands at £89,859,593 (2015 - £76,131,594) This sum includes some £26,644,853 of secured loans specifically in relation to the Brentford Community Stadium project.

### **Brentford Community Stadium**

This time last year the one key piece to the jigsaw which was holding up our progress was the acquisition of the land known as Capital Court. I am pleased to report that the CPO process resulted in a successful outcome and the land was duly acquired by the London Borough of Hounslow and transferred to the Club via a lease arrangement on 1st September 2016.

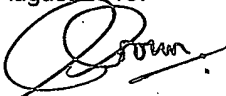
## Brentford FC Limited

### Chairman's statement for the year ended 30 June 2016

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There are still numerous matters we are working on with the London Borough of Hounslow and the developer which are currently being attended to. If all goes well, we expect to go on site in the new year and ensure that we fulfil the conditions for the planning permission and start on site in advance of its expiry date.

Once again the Directors of Lionel Road Developments and their professional advisors have worked tirelessly on behalf of the club to move this complex project forward and we are very grateful to them for their contribution and as I write this today I am as confident as I can be that the stadium will be ready for occupation by August 2019.



Cliff Crown FCA  
Chairman

7th December 2016

# Brentford FC Limited

## Strategic report for the year ended 30 June 2016

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2016.

### Principal risks and uncertainties

The Club's strategy is to continue to improve the quality of live football, to engage with the local community and become a sustainable organisation through success on and off the pitch. As a result, the Club has continued to invest in the squad over the Summer of 2016 with players who fit in with the Club's style of play and who will aid in building the Club's football philosophy and identity as a strong Championship side.

There are several risks and uncertainties inherent within football, of which Brentford FC are not an exception. The key risks are considered as:

- Reliance on the First Team's performance to maintain the Club's place in the Championship
- Recruitment and retention of key employees to be able to operate the Club in a fashion that will lead to a sustainable organisation
- Impact of supporter attendance levels at First Team matches both in financial terms and player performance
- Rules and regulations of applicable football governing bodies, particularly those relating to Financial Fair Play
- Risks associated with reliance upon finance from Brentford FC's owner to fund operations

### Business Review

The Club produced a loss on ordinary activities before interest and other income in the year of £7,636,553 (2015 - £14,670,999 as restated), a decrease in loss of 48%.

Turnover grew by 7% in the year to £10,623,183 (2015 - £9,954,979).

Operating expenses, including player trading, grew by 24% in the year to £34,197,002 (2015 - £27,514,403) which was predominantly due to increased amortisation charges on player registrations due to player purchases made in order to maintain status and compete in the Championship.

### KPIs

Brentford FC uses a variety of performance measures in order to monitor and manage the business effectively, these are constantly being reviewed and updated for appropriateness.

Indicator	2015/16	2014/15	% change
Turnover (£m)	10.6	10.0	+7%
Operating loss before gain on disposal of players' registrations (£m)	23.1	16.7	+38%
Loss on Ordinary activities	7.6	14.7	-48%
Season tickets (number)	6,137	5,641	+9%
Average attendance per game (number)	10,327	10,700	-3%
Final position in Championship	9 <sup>th</sup>	5 <sup>th</sup>	

### On behalf of the board



C Crown FCA (Chairman)  
Director

7th December 2016

# **Brentford FC Limited**

## **Report of the directors for the year ended 30 June 2016**

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The directors present their report together with the audited financial statements for the year ended 30 June 2016.

### **Information included in the strategic report**

The strategic report above includes information on key performance indicators, a review of the business, information on the principal risks and uncertainties facing the group as well as information on future developments.

### **Results and dividends**

The profit and loss account is set out on page 9 and shows the loss for the year.

### **Directors**

The directors of the company during the year were:

C Crown FCA (Chairman)  
D G Kerr (Vice Chairman)  
D L Merritt  
P A Whall (Resigned 27 July 2016)  
M J Power  
N S Raj

### **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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard 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 group and 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;
- 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 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.

# **Brentford FC Limited**

## **Report of the directors for the year ended 30 June 2016 (continued)**

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### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the board**



C Crown  
Chairman

7th December 2016



# **Brentford FC Limited**

## **Independent auditor's report**

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### **To the members of Brentford FC Limited**

We have audited the financial statements of Brentford FC Limited for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the 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).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Basis for qualified opinion on financial statements**

In the prior year, the company did not comply with the requirements of Financial Reporting Standard 15: Tangible Fixed Assets, now section 17 of FRS 102: Property, Plant and Equipment and the Companies Act 2006 in relation to application of the valuation basis to the freehold land and buildings included in the company and consolidated statements of financial position, and the subsequent depreciation thereof. The information which would have been required to correctly update the valuation of the property as at 30 June 2014 and 30 June 2015 was not available and therefore the error could neither be quantified, nor did, nor do, the financial statements include any adjustments which were necessary to correct both the carrying value of the freehold land and buildings, the associated depreciation charge and the revaluation reserve, at those dates. However, as at 30 June 2016, the company has complied with the requirements of FRS 102 in this regard, with the necessary adjustment reflected in the statements of financial position and the statement of comprehensive income for the current year.

### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Brentford FC Limited

## Independent auditor's report (*continued*)

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### 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.

*BDO LLP*

*Ian Clayden (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

*21 December 2016*

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

# Brentford FC Limited

## Consolidated statement of comprehensive income for the year ended 30 June 2016

		Operations excluding player trading 2016	Player trading 2016	Total Year ended 30 June 2016	Total Year ended 30 June 2015 As restated
	Note	£	£	£	£
<b>Turnover</b>	2	10,623,183	-	10,623,183	9,954,979
Operating expenses		29,731,060	4,465,942	34,197,002	27,514,403
		(19,107,877)	(4,465,942)	(23,573,819)	(17,559,424)
Other operating income		493,281	-	493,281	852,587
<b>Operating loss before gain on disposal of players' registrations</b>	3	(18,614,596)	(4,465,942)	(23,080,538)	(16,706,837)
Gain on disposal of players' registrations	5	-	15,443,985	15,443,985	2,035,838
<b>Loss on ordinary activities before interest and other income</b>		(18,614,596)	10,978,043	(7,636,553)	(14,670,999)
Other interest receivable and similar income				-	375
Interest payable and similar charges	8			(4,976,197)	(2,997,043)
<b>Operating loss and loss on ordinary activities before and after taxation</b>				(12,612,750)	(17,667,667)
Minority interest				651	447
<b>Loss for the financial year</b>				(12,612,099)	(17,667,220)
Revaluation of freehold property				8,600,000	-
Deferred taxation				(1,548,000)	-
<b>Other comprehensive income for the year</b>				7,052,000	-
<b>Total comprehensive income for the year</b>				(5,560,099)	(17,667,220)

All amounts relate to continuing activities.

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Consolidated statement of changes in equity at 30 June 2016

Notes	Called-up share capital	Revaluation reserve	Profit and loss account	Non- controlling interests	Total
<b>At 01 July 2014 as restated</b>	<b>24,556,608</b>	<b>7,677,786</b>	<b>(21,170,183)</b>	<b>(151)</b>	<b>11,064,060</b>
<i>Comprehensive income for the year:</i>					
Loss for the year	-	-	(17,667,220)	(447)	(17,667,667)
Total comprehensive income for the year	-	-	(17,667,220)	(447)	(17,667,667)
<i>Contributions by, and distributions to, owners:</i>					
Capital Contribution	-	-	8,501,734	-	8,501,734
Issue of share capital	5,930,025	-	-	-	5,930,025
Total contributions by, and distributions to, owners	5,930,025	-	8,501,734	-	14,431,759
<b>At 30 June 2015</b>	<b>30,486,633</b>	<b>7,677,786</b>	<b>(30,335,669)</b>	<b>(598)</b>	<b>7,828,152</b>
<b>At 01 July 2015</b>	<b>30,486,633</b>	<b>7,677,786</b>	<b>(30,335,669)</b>	<b>(598)</b>	<b>7,828,152</b>
<i>Comprehensive income for the year:</i>					
Loss for the year	-	-	(12,612,099)	(651)	(12,612,750)
Revaluation of freehold land and buildings	-	8,600,000	(1,548,000)	-	7,052,000
Total comprehensive income for the year	-	8,600,000	(14,160,099)	(651)	(5,560,750)
<i>Contributions by, and distributions to, owners:</i>					
Capital Contribution	-	-	1,798,905	-	1,798,905
Issue of share capital	8,000,000	-	-	-	8,000,000
Total contributions by, and distributions to, owners	8,000,000	-	1,798,905	-	9,798,905
<b>At 30 June 2016</b>	<b>38,486,633</b>	<b>16,277,786</b>	<b>(42,696,863)</b>	<b>(1,249)</b>	<b>12,066,307</b>

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Company statement of changes in equity at 30 June 2016

Notes	Called-up share capital	Revaluation reserve	Profit and loss account	Total
<b>At 01 July 2014 as restated</b>	<b>24,556,608</b>	<b>7,677,786</b>	<b>(22,198,165)</b>	<b>10,036,229</b>
<i>Comprehensive income for the year:</i>				
Loss for the year	-	-	(17,916,150)	(17,916,150)
Total comprehensive income for the year	-	-	(17,916,150)	(17,916,150)
<i>Contributions by, and distributions to, owners:</i>				
Capital Contribution	-	-	8,501,734	8,501,734
Issue of share capital	5,930,025	-	-	5,930,025
Total contributions by, and distributions to, owners	5,930,025	-	8,501,734	14,431,759
<b>At 30 June 2015</b>	<b>30,486,633</b>	<b>7,677,786</b>	<b>(31,612,581)</b>	<b>6,551,838</b>
<b>At 01 July 2015</b>	<b>30,486,633</b>	<b>7,677,786</b>	<b>(31,612,581)</b>	<b>6,551,838</b>
<i>Comprehensive income for the year:</i>				
Loss for the year	-	-	(12,696,812)	(12,696,812)
Revaluation of freehold land and buildings	-	8,600,000	(1,548,000)	7,052,000
Total comprehensive income for the year	-	8,600,000	(14,244,812)	(5,644,812)
<i>Contributions by, and distributions to, owners:</i>				
Capital Contribution	-	-	1,798,905	1,798,905
Issue of share capital	8,000,000	-	-	8,000,000
Total contributions by, and distributions to, owners	8,000,000	-	1,798,905	9,798,905
<b>At 30 June 2016</b>	<b>38,486,633</b>	<b>16,277,786</b>	<b>(44,058,488)</b>	<b>10,705,931</b>

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Consolidated statement of financial position at 30 June 2016

	Note	30 June 2016 £	30 June 2016 £	30 June 2015 As restated £	30 June 2015 As restated £
<b>Fixed assets</b>					
Intangible assets	11		7,360,862		4,868,984
Tangible assets	12		<u>51,019,014</u>		<u>40,896,154</u>
			58,379,876		45,765,138
<b>Current assets</b>					
Stocks	14	170,193		176,817	
Debtors	15	8,360,485		1,304,799	
Cash at bank and in hand		<u>850,158</u>		<u>2,958,408</u>	
		9,380,836		4,440,024	
<b>Creditors: amounts falling due within one year</b>	16	<u>(15,618,768)</u>		<u>(12,405,115)</u>	
<b>Net current liabilities</b>			<u>(6,237,932)</u>		<u>(7,965,091)</u>
<b>Total assets less current liabilities</b>			52,141,944		37,800,047
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(40,075,637)</u>		<u>(29,971,895)</u>
<b>Net Assets</b>			<u>12,066,307</u>		<u>7,828,152</u>

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Consolidated statement of financial position at 30 June 2016 (continued)

	Note	30 June 2016 £	30 June 2016 £	30 June 2015 As restated £	30 June 2015 As restated £
<b>Capital and reserves</b>					
Called up share capital	19		38,486,633		30,486,633
Revaluation reserve			16,277,786		7,677,786
Profit and loss account			<u>(42,696,863)</u>		<u>(30,335,669)</u>
<b>Shareholders' funds</b>			12,067,556		7,828,750
<b>Minority interests</b>			<u>(1,249)</u>		<u>(598)</u>
			<u>12,066,307</u>		<u>7,828,152</u>

The financial statements were approved by the board of directors and authorised for issue on 7th December 2016

  
C Crown-FCA (Chairman)  
Director

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Company statement of financial position at 30 June 2016

Company number 03642327

	Note	30 June 2016 £	30 June 2016 £	30 June 2015 As restated £	30 June 2015 As restated £
<b>Fixed assets</b>					
Intangible assets	11		7,360,862		4,868,984
Tangible assets	12		20,384,438		12,732,576
Fixed asset investments	13		<u>24,325,636</u>		<u>24,325,636</u>
			52,070,936		41,927,196
<b>Current assets</b>					
Stocks	14	170,193		176,817	
Debtors	15	10,295,763		1,258,555	
Cash at bank and in hand		<u>804,587</u>		<u>2,618,603</u>	
		11,270,543		4,053,975	
<b>Creditors: amounts falling due within one year</b>	16	<u>(12,559,911)</u>		<u>(9,457,438)</u>	
<b>Net current liabilities</b>			<u>(1,289,368)</u>		<u>(5,403,463)</u>
<b>Total assets less current liabilities</b>			50,781,568		36,523,733
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(40,075,637)</u>		<u>(29,971,895)</u>
<b>Net Assets</b>			<u>10,705,931</u>		<u>6,551,838</u>

The notes on pages 17 to 32 form part of these financial statements.

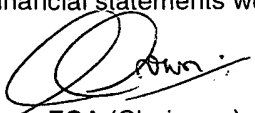


# Brentford FC Limited

## Company statement of financial position at 30 June 2016 (continued)

	Note	30 June 2016 £	30 June 2016 £	30 June 2015 As restated £	30 June 2015 As restated £
<b>Capital and reserves</b>					
Called up share capital	19		38,486,633		30,486,633
Revaluation reserve			16,277,786		7,677,786
Profit and loss account			<u>(44,058,488)</u>		<u>(31,612,581)</u>
<b>Shareholders' funds</b>			<u>10,705,931</u>		<u>6,551,838</u>

The financial statements were approved by the board of directors and authorised for issue on 7th December 2016

  
C Crown FCA (Chairman)  
Director

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Consolidated cashflow statement for the year ended 30 June 2016

	Note	Year ended 30 June 2016 £	Year ended 30 June 2016 £	Year ended 30 June 2015 As restated £	Year ended 30 June 2015 As restated £
<b>Cash flows from operating activities</b>					
<b>Loss for the year</b>		(12,612,750)		(17,667,667)	
<b>Adjusted for:</b>					
Depreciation and impairment of fixed assets	12	2,232,771		379,278	
Amortisation and impairment of intangible assets	11	4,465,942		2,102,984	
Gain on disposal of intangible assets		(15,443,985)		(2,035,838)	
Loss on disposal of fixed assets	3	11,794		-	
Finance costs	8	4,684,141		2,992,578	
Decrease in stocks		6,624		57,083	
(Increase) in debtors		(531,186)		(452,663)	
Increase in creditors		1,752,475		3,806,985	
Interest income		-		(375)	
Interest Charges	8	292,056		4,465	
<b>Cash Outflow from operations</b>		<b>(15,142,118)</b>		<b>(10,813,170)</b>	
Interest Paid		(292,056)		(4,090)	
<b>Net cash outflow from operating activities</b>			<b>(15,434,174)</b>		<b>(10,817,260)</b>
<b>Cash flows from investing activities</b>					
Purchases of tangible fixed assets		(3,820,499)		(16,047,453)	
Purchases of intangible assets		(7,134,777)		(5,276,965)	
Proceeds from sale of tangible assets		53,074		-	
Proceeds from sale of intangible assets		10,517,549		2,035,838	
<b>Net cash inflow from investing activities</b>			<b>(384,653)</b>		<b>(19,288,580)</b>
<b>Cash flows from financing activities</b>					
Capital element of finance lease repaid		-		(15,657)	
New loans		5,728,025		23,662,555	
Shares issued	19	8,000,000		5,930,025	
<b>Net cash inflow from financing activities</b>			<b>13,728,025</b>		<b>29,576,923</b>
<b>Net decrease in cash and cash equivalents</b>			<b>(2,090,802)</b>		<b>(528,917)</b>
<b>Cash and cash equivalents at beginning of year</b>			<b>2,936,053</b>		<b>3,464,970</b>
<b>Cash and cash equivalents at end of year</b>			<b>845,251</b>		<b>2,936,053</b>
<b>Cash and cash equivalents comprise:</b>					
Cash at bank and in hand			850,158		2,958,408
Bank overdrafts			(4,907)		(22,355)

The notes on pages 17 to 32 form part of these financial statements.

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

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### 1. Accounting Policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. Information on the impact of first-time adoption of FRS 102 is given in note 23.

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.

#### *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:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical; and
- No cash flow statement has been presented for the parent company;

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Brentford FC Limited and all of its subsidiary undertakings as at 30 June 2016 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Judgements in applying accounting policies and key sources of estimation uncertainty*

In preparing the financial statements, the management has made the following judgements:

##### (a) Player impairments

Management assess whether, at the year end, players are available for selection to play for the club. In circumstances where it is apparent that the player would not be available to play for the club and is yet to be sold, that player is valued on a "recoverable amount" basis which is the management's best estimate of his valuation at the next available transfer window. Any resulting impairment charge is recorded within operating expenses.

Examples of such circumstances can include the player sustaining a career threatening injury, or if a player has a falling out of favour with senior football management.

##### (b) Onerous contracts

Management review all contracts, including those of the players, and determine whether the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations under onerous contracts are measured as provisions.

In relation to players, if a players' valuation has been impaired (as per (a) above), an onerous contract provision will be made for the period of time in which the management reasonably expect the player to remain at the club.

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

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### (c) Deferred taxation

In line with FRS 102, provision is made for deferred taxation liabilities in respect of all timing differences that have originated but not reversed by the statement of financial position date. A deferred tax asset is only recognised where there is sufficient evidence that the asset will be recovered.

### *Revenue*

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Match day revenue is recognised over the period of the football season as games are played. League income is spread over the financial year in which they relate. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. Facility fees for live television coverage of games are recognised when earned.

### *Financial assets*

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the company's contractual obligations, rather than the legal form of the instrument. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost. In respect of shareholder loans however, initial recognition takes place at fair value and subsequently measured at amortised cost using the effective interest rate method (note 22 and 23).

### *Going concern*

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow projections. These cash flow projections show a significant net cash outflow for the going concern review period. Having made appropriate enquiries, the financial statements have been prepared on the going concern basis on the grounds that the majority shareholder has indicated his willingness and ability to support the company by providing adequate loan facilities and future equity investment to enable the company to cover projected net cash outflows and therefore 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.

### *Tangible fixed assets*

Tangible fixed assets, other than freehold land and buildings and long-term leasehold property, 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit and loss during the period in which they are incurred.

### *Freehold land and buildings*

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

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The company's freehold land and buildings at Griffin Park were valued by an independent firm of chartered surveyors on 7 July 2016 using an open market basis and reflecting the grant of conditional planning approval for the redevelopment. FRS 102, Section 17 requires that for assets held on a valuation basis, their carrying amount should be their current value as at the balance sheet date.

The freehold land and buildings are maintained in such a condition that the residual value is not diminished by the passage of time. Expenditure to maintain or improve the property is charged to the profit and loss account as it is incurred and no provision is made for depreciation of the company's freehold land and buildings as it is not considered material and the assets are subject to revaluation.

Provisions will be made against the freehold land and buildings in the event of any impairment or other permanent diminution in its value.

Land and planning costs for the development of a new stadium, as well as the cost of instalment of irrigation and a new training pitch which was not ready for use at year end, have been included in tangible fixed assets as an asset in the course of construction. No depreciation is charged as the developments are not complete.

Long term leasehold property is carried at open market value as the property is surplus to the group's trading requirements. The property relates solely to land and as such, no depreciation is charged.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for assets in the course of construction and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold land and buildings	- Nil on cost
Leasehold property	- Over the term of the lease
Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 25% straight line
Pitch turfing and drainage	- 20% straight line
Asset in course of construction	- Nil on cost

When there is a foreseeable cessation of use for a tangible fixed asset, this end date will be applied to calculate the depreciation rate.

### *Impairment of fixed assets*

Impairment reviews have been carried out on all of the group's fixed assets comparing the carrying value to their recoverable amounts. Where necessary, provision has been made to reduce the value of fixed assets to their recoverable amounts.

### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

### *Stocks*

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stocks.

### *Deferred taxation*

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

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

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- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### *Deferred income*

Income from matchday activity, media and commercial contracts which have been received prior to the year end in respect of future football seasons is treated as deferred income.

### *Grants received*

Grants received for youth development are taken to the profit and loss account during the season to which they relate. Other grants receivable in respect of operating costs of the company are dealt with in the profit and loss account in the period in which the relevant expenditure is incurred.

Grants relating to expenditure of tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferral element of such grants is included as deferred income in creditors.

### *Leased assets*

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

### *Pension costs*

The company operates a defined contribution scheme for the benefits of its employees. The assets of the scheme are held in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund. There were no amounts outstanding at the year end.

### *Intangible fixed assets*

In accordance with FRS 102, player registrations, which includes agents' fees and levies, are capitalised and written off over the period of the player's contract. Under the conditions of certain transfer agreements, further fees will be payable in the event of certain other specified future events. These associated costs are capitalised and written off over the remaining period of the contract once the conditions have been met.

Profit or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the applicable player's registration.

Signing on fees in respect of player contracts are expensed to the profit and loss account over the length of the contract. Signing on fees are considered to be part of players' emoluments packages and are therefore included in these financial statements as part of staff costs.

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 2 Turnover

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Analysis by class of business:		
League & FA	4,598,629	4,190,649
Ticketing	3,054,527	3,108,464
Commercial	933,921	798,541
Retail	412,181	465,045
Catering	417,331	427,782
Other Football Income (inc televised games)	291,085	243,150
Academy	769,560	537,498
Media & Membership	145,949	183,850
	<b>10,623,183</b>	<b>9,954,979</b>

Turnover arises solely within the United Kingdom.

### 3 Operating loss

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	535,458	379,278
Impairment of leasehold property	1,697,313	-
Loss on disposal of fixed assets	11,794	-
Amortisation of intangible fixed assets	3,988,246	2,102,984
Impairment of intangible fixed assets	477,696	-
Hire of other assets - operating leases	249,734	12,594
Fees payable to the company's auditor (see note 4 below)	74,015	34,500

### 4 Auditors' remuneration

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Audit fee	34,500	26,000
Tax compliance services	37,515	6,000
Other services	2,000	2,500
	<b>74,015</b>	<b>34,500</b>

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 5 Gain on disposal of players' registrations

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Gain on disposal of players' registrations	<u>15,443,985</u>	<u>2,035,838</u>

### 6 Director's remuneration

No directors received any emoluments during the current year (2015 - £Nil).

There were no directors in the group's defined contribution pension scheme during the year (2015 - £Nil).

### 7 Employees

Staff costs (including directors) consist of:

	Group Year ended 30 June 2016 £	Group Year Ended 30 June 2015 £
Wages and salaries	15,722,698	15,754,072
Social security costs	1,855,790	1,908,428
Other pension costs	24,281	49,471
	<u>17,602,769</u>	<u>17,711,971</u>

The average number of employees (including directors) during the year was as follows:

	Group Year ended 30 June 2016 Number	Group Year ended 30 June 2015 Number
Administration and commercial staff	39	32
Playing, training and group staff	153	133
	<u>192</u>	<u>165</u>



# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 8 Interest payable and similar charges

	Year ended 30 June 2016 £	Year ended 30 June 2015 As restated £
Finance leases and hire purchase contracts	-	4,073
Other interest payable	60,067	392
Unwinding of discount on shareholder loans (FRS 102 – see note 23)	4,684,141	2,992,578
Interest on factoring	231,989	-
	<b>4,976,197</b>	<b>2,997,043</b>

### 9 Taxation on loss on ordinary activities

No deferred or current tax has been charged or credited to the statement of comprehensive income in either the current or prior year.

The tax assessed for the year differs from the standard rate of corporation tax in the UK applied to loss before tax.

	Year ended 30 June 2016 £	Year ended 30 June 2015 As restated £
Loss on ordinary activities before tax	(12,612,750)	(17,677,667)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	(2,522,550)	(3,668,116)
Effect of:		
Depreciation for year in excess of capital allowances	107,092	78,700
Tax losses carried forward for which no deferred tax asset has been recognised	2,415,458	3,589,416
Total tax charge for the year	-	-

The group has unrelieved losses at 30 June 2016 of approximately £55.1m (2015 - £43.0m) which are available to be carried forward and offset against future trading profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of the availability of future trading profits.

### 10 Loss for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss of the parent company for the year was £12,696,812 (2015 - £17,916,150)

# Brentford FC Limited

Notes forming part of the financial statements  
for the year ended 30 June 2016

## 11 Intangible fixed assets

### Group and company

	Player Registrations £
<i>Cost</i>	
At 1 July 2015	7,267,215
Additions	8,555,884
Disposals	(2,870,211)
At 30 June 2016	<u>12,952,888</u>
<i>Amortisation</i>	
At 1 July 2015	2,398,231
Provided for the year	3,988,246
Impairments	477,696
Disposals	(1,272,147)
At 30 June 2016	<u>5,592,026</u>
<i>Net book value</i>	
At 30 June 2016	<u>7,360,862</u>
At 30 June 2015	<u>4,868,984</u>

The impairment of players' registrations was incurred where there was evidence of a diminution in value of the registrations after management's assessment, in line with the company's accounting policies.

## Brentford FC Limited

Note forming part of the financial statements  
for the year ended 30 June 2016

### 12 Tangible fixed assets

#### Group

	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Pitch turfing and drainage £	Long-term leasehold property £	Assets in the course of construction £	Total £
<i>Cost or valuation</i>									
At 1 July 2015	10,118,638	1,859,525	1,644,535	79,837	552,192	-	13,100,970	14,941,817	42,297,514
Additions	-	30,000	411,924	-	72,831	501,249	-	2,804,495	3,820,499
Disposals	-	-	-	(79,837)	-	-	-	-	(79,837)
Revaluations	8,600,000	-	-	-	-	-	-	-	8,600,000
<b>At 30 June 2016</b>	<b>18,718,638</b>	<b>1,889,525</b>	<b>2,056,459</b>	<b>-</b>	<b>625,023</b>	<b>501,249</b>	<b>13,100,970</b>	<b>17,746,312</b>	<b>54,638,176</b>
<i>Depreciation</i>									
At 1 July 2015	-	117,731	827,098	14,969	441,562	-	-	-	1,401,360
Provided for the year	-	74,481	312,045	-	46,218	102,714	-	-	535,458
Impairments	-	1,697,313	-	-	-	-	-	-	1,697,313
Disposals	-	-	-	(14,969)	-	-	-	-	(14,969)
<b>At 30 June 2016</b>	<b>-</b>	<b>1,889,525</b>	<b>1,139,143</b>	<b>-</b>	<b>487,780</b>	<b>102,714</b>	<b>-</b>	<b>-</b>	<b>3,619,162</b>
<i>Net book value</i>									
At 30 June 2016	<b>18,718,638</b>	<b>-</b>	<b>917,316</b>	<b>-</b>	<b>137,243</b>	<b>398,535</b>	<b>13,100,970</b>	<b>17,746,312</b>	<b>51,019,014</b>
<b>At 30 June 2015</b>	<b>10,118,638</b>	<b>1,741,794</b>	<b>817,437</b>	<b>64,868</b>	<b>110,630</b>	<b>-</b>	<b>13,100,970</b>	<b>14,941,817</b>	<b>40,896,154</b>

## Brentford FC Limited

Note forming part of the financial statements  
for the year ended 30 June 2016

### 12 Tangible fixed assets (continued)

#### Company

	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Pitch turfing and drainage £	Assets in the course of construction £	Total £
<i>Cost or valuation</i>								
At 1 July 2015	10,000,000	1,859,525	1,642,622	79,837	550,453	-	-	14,132,437
Additions	-	30,000	410,535	-	72,376	501,249	334,124	1,348,284
Disposals	-	-	-	(79,837)	-	-	-	(79,837)
Revaluations	8,600,000	-	-	-	-	-	-	8,600,000
At 30 June 2016	18,600,000	1,889,525	2,053,157	-	622,829	501,249	334,124	24,000,884
<i>Depreciation</i>								
At 1 July 2015	-	117,731	825,835	14,969	441,326	-	-	1,399,861
Provided for the year	-	74,481	311,329	-	45,717	102,714	-	534,241
Impairments	-	1,697,313	-	-	-	-	-	1,697,313
Disposals	-	-	-	(14,969)	-	-	-	(14,969)
At 30 June 2016	-	1,889,525	1,137,164	-	487,043	102,714	-	3,616,446
<i>Net book value</i>								
At 30 June 2016	18,600,000	-	915,993	-	135,786	398,535	334,124	20,384,438
At 30 June 2015	10,000,000	1,741,794	816,787	64,868	109,127	-	-	12,732,576

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 12 Tangible fixed assets (continued)

The company's freehold land and buildings at Griffin Park were valued by Jones Lang LaSalle, an independent firm of chartered surveyors, on 7 July 2016 using an open market basis and reflecting the grant of conditional planning approval for the redevelopment of Griffin Park.

The net book value of Freehold land and buildings and Long-term leasehold property are stated at:

	Group 30 June 2016 £	Group 30 June 2015 £	Company 30 June 2016 £	Company 30 June 2015 £
Historic cost	15,541,822	15,541,822	2,322,214	2,322,214
Revaluation	16,277,786	7,677,786	16,277,786	7,677,786
	<b>31,819,608</b>	23,219,608	<b>18,600,000</b>	10,000,000

### 13 Fixed asset investments

#### Company

	Group undertakings £	Loans £	Total £
<i>Cost or valuation</i>			
At 1 July 2015	52,604	24,273,032	24,325,636
Additions	-	-	-
Transfers from amounts owed by group undertakings	-	-	-
At 30 June 2016	<b>52,604</b>	<b>24,273,032</b>	<b>24,325,636</b>

The parent company has investments in the following subsidiary undertakings incorporated in England and Wales whose principal activity is to progress various aspects of the development of a new stadium for the Group. These undertakings have been included in the consolidated accounts.

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held
<i>Subsidiary undertakings</i>			
Brentford FC (Lionel Road) Limited	England	Ordinary	99%
Lionel Road Developments Limited	England	Ordinary	100%
Lionel Road Coalyard Limited	England	Ordinary	100%

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 14 Stocks

	Group and company 30 June 2016 £	Group and company 30 June 2015 £
Raw materials and consumables	9,676	7,102
Merchandise	160,517	169,715
	<u>170,193</u>	<u>176,817</u>

### 15 Debtors

	Group 30 June 2016 £	Group 30 June 2015 £	Company 30 June 2016 £	Company 30 June 2015 £
Trade debtors	217,609	294,641	176,478	247,852
Amounts owed by group undertakings	-	-	2,031,832	97,632
Other debtors	40,596	107,229	10,247	27,016
Prepayments and accrued income	1,567,780	892,929	1,542,706	876,055
Player debtors	6,534,500	10,000	6,534,500	10,000
	<u>8,360,485</u>	<u>1,304,799</u>	<u>10,295,763</u>	<u>1,258,555</u>

All amounts shown under debtors fall due for payment within one year.

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

	Group 30 June 2016 £	Group 30 June 2015 £	Company 30 June 2016 £	Company 30 June 2015 £
Bank loans and overdrafts (secured)	4,907	22,355	4,907	22,355
Other loans (secured)	2,920,865	2,920,865	2,920,865	2,920,865
Trade creditors	1,492,757	966,112	1,420,250	743,749
Player creditors	1,749,614	328,507	1,749,614	328,507
Taxation and social security	1,477,958	3,179,989	1,487,751	3,177,467
Obligations under finance lease and hire purchase contracts	-	6,661	-	6,661
Other creditors	43,690	146,403	35,247	146,367
Progress payments received	2,500,000	2,500,000	-	-
Deferred income	1,516,920	1,757,542	1,476,615	1,718,571
Accrued expenses	3,912,057	576,681	3,464,662	392,896
	<u>15,618,768</u>	<u>12,405,115</u>	<u>12,559,911</u>	<u>9,457,438</u>

A bank overdraft facility of £500,000 is secured by a first legal charge over the company's freehold property. Other loans are secured by legal charges and debentures over the group's assets.

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

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

	Group 30 June 2016 £	Group 30 June 2015 As restated £	Company 30 June 2016 £	Company 30 June 2015 As restated £
Shareholder's loans (secured)	37,145,636	28,532,375	37,145,636	28,532,375
Obligations under finance lease and hire purchase contracts	-	57,519	-	57,519
Deferred tax liability	2,930,001	1,382,001	2,930,001	1,382,001
	<b>40,075,637</b>	<b>29,971,895</b>	<b>40,075,637</b>	<b>29,971,895</b>

A discount rate of 15% has been applied to the total shareholder's loan balance (see note 22). The total value of this loan balance on the repayment date is £49,134,031.

Maturity of debt:

	Loans and overdrafts 30 June 2016 £	Loans and overdrafts 30 June 2015 As restated £	Finance leases 30 June 2016 £	Finance leases 30 June 2015 As restated £
In one year or less, or on demand	4,907	22,355	-	6,661
In more than one year but not more than two years	-	-	-	57,519
In more than two years but not more than five years	37,145,636	28,532,375	-	-
	<b>37,145,636</b>	<b>28,532,375</b>	<b>-</b>	<b>57,519</b>

Other loans are secured by legal charges and debentures over the group's assets.

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 18 Deferred taxation liability/(asset)

	30 June 2016 £	30 June 2015 As restated £
Revaluation of freehold property	2,930,001	1,382,001
Accelerated capital allowances	(513,050)	(330,113)
Tax losses carried forward	(9,916,010)	(7,742,097)
	<u>(7,499,059)</u>	<u>(6,690,209)</u>

The deferred tax liability of £2,930,001 (2015 - £1,382,011) relating to the unrealised gain on the revaluation of the freehold stadium is the maximum amount payable if the property were to be sold at the valuation of £18,600,000.

Deferred tax assets in respect of trading losses carried forward and the excess of depreciation over capital allowances have not been recognised as their recovery is dependent on future taxable profits arising which at this stage cannot be anticipated.

### 19 Share capital

	30 June 2016 £	30 June 2015 £
<i>Allotted, called up and fully paid</i>		
557,281 (2015 – 237,281) Ordinary shares of £25 each	13,932,025	5,932,025
24,554,608 (2015: 24,554,608) Preference shares of £1 each	24,554,608	24,554,608
1 (2015: 1) BU Special share of 1 pence each	-	-
	<u>38,486,633</u>	<u>30,486,633</u>

During the year, 320,000 ordinary shares of £25 each were issued for a total consideration of £8,000,000. No share premium arose on this new issue of shares.

Preference shares have no voting rights attached to them and are redeemable at the option of the company.

#### BU Special share

The BU Special Share confers on Brentford Football Community Society Ltd. (Bees United) (but no other person) the right to receive notice of sale and (under certain circumstances) issue a Veto Notice in respect of any sale of Griffin Park or of any successor stadium owned by the Company at which Brentford FC first team plays its home league matches. This right only comes into being once the Special Share (see above) has been converted into an Ordinary Share. The purpose of the BU Special Share is to prevent the selling of the stadium to the long term disadvantage of Brentford Football Club and for short term gain to the shareholders.

The BU Special Share is not redeemable and has no right in respect of dividends or to participate in a distribution.



# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 20 Contingent liabilities

The group has entered into contractual arrangements regarding the Lionel Road South site which include certain contingent liabilities. These potential liabilities are in favour of previous owners of the site. The liabilities have a limited life and are only triggered in the event that the Lionel Road site achieves planning consent for uses which do not include a football stadium of minimum 15,000 capacity or in the event that the building of the stadium is not implemented. No provision has been recognised in this regard.

### 21 Commitments under operating leases

The group and company had minimum lease payments under non-cancellable operating leases as set out below:

	30 June 2016 £	30 June 2015 As restated £
Not later than 1 year	206,811	157,281
Later than 1 year and not later than 5 years	470,183	279,969
	<hr/>	<hr/>
	676,994	437,250

### 22 Related party disclosures

Brentford Football Community Society Limited (Bees United) is registered under the Cooperative and Community Benefit Societies Act 2014, composed of approximately 2000 members that each hold one member share in the society. Former and current directors that were members of the society during the year include J P Herting, E B Rogers, B Burgess, J Gosling, G Dyke, D Heath, I Jones, J Bourke, A A Bird, D Merritt and M Chapman.

Bees United has made interest free loans totalling £679,911 (2015 - £679,911) to the company at the year end of which £402,000 (2015 - £402,000) is secured by legal charges over the company's freehold property. The loan is repayable in full on demand.

A balance of £2,050 (2015 - £4,046) is owed to Bees United which is unsecured.

Mr M Benham is a director and major shareholder of Smartodds Limited from which Brentford FC Limited made purchases of £898,008 and made sales to of £37 during the year. All transactions were conducted on an arm's length basis on normal trading terms. At 30 June 2016, there were no outstanding balances (2015 - nil).

Mr M Benham is a director and major shareholder of Triplebet Limited to which Brentford FC Limited made sales of £450,000 during the year. All transactions were conducted on an arm's length basis on normal trading terms. At 30 June 2016, there were no outstanding balances.

Mr M Benham has made loans to the company of £49,134,031 (2015 - £43,406,006) that are secured by a legal charge over the company's freehold property. No interest has been charged on these loans in the current or previous years. However, FRS 102 requires that all loans made by Shareholders to the company be initially recognised at fair value and subsequently at amortised cost using the effective interest rate as set out in note 23.

# Brentford FC Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

### 22 Related party disclosures (continued)

Subsidiary undertakings of the company paid £85,754 (2015 - £106,691) for professional services to CG Consult Ltd, a company in which C Gammon, a director of the subsidiaries, is materially interested as a shareholder.

Subsidiary undertakings of the company paid £86,487 (2015 - £107,311) for professional services to Briburg Ltd, a company in which B Burgess, a director of the subsidiaries, is materially interested as a shareholder.

### 23 First time adoption of FRS 102

This is the first period that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 01 July 2014.

	Note	Equity as at 01 July 2014 £	Loss for the Year ended 30 June 2015 £	Equity as at 30 June 2015 £
<b>As previously stated under former UK GAAP</b>		<b>3,081,586</b>	<b>(14,675,089)</b>	<b>(5,663,478)</b>
<b>Transitional adjustments</b>				
Capital Contribution recognised on revaluation of shareholder loans	a	9,364,475	-	17,866,209
Finance cost arising on revaluation of shareholder loans	b	-	(2,992,578)	(2,992,578)
Deferred tax on revaluation of property	c	(1,382,001)	-	(1,382,001)
<b>As stated in accordance with FRS 102</b>		<b>11,064,060</b>	<b>(17,667,667)</b>	<b>7,828,152</b>

Explanation of changes to previously reported profit and equity:

- FRS 102 requires that all loans made by Shareholders to the company be measured at amortised cost using an effective interest rate. Thus the loans made by Matthew Benham have been revalued to their present values using a 15% interest rate, with the difference between loan amount and the present value being classified as a capital contribution.
- This finance cost is the unwinding of the amounts accounted for as a capital contribution as discussed in (a) and so is charged to the Profit and Loss account.
- FRS 102 requires that deferred tax be recognised on revaluations of property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to increase the deferred tax charge for the year ended 30 June 2014.