

Brentford FC Limited

Report and Financial Statements

Year Ended

30 June 2017

Company Number 03642327

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Brentford FC Limited

Report and financial statements for the year ended 30 June 2017

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Directors

C Crown FCA (Chairman)
D G Kerr (Vice Chairman)
D L Merritt
M J Power
N S Raj
P Giles
R Ankersen
M Choudhuri

Secretary and registered office

L Skelhorn, 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 2017

Chairman's statement

Executive Summary

Our third consecutive season in the Championship yielded yet another top ten finish and once again showed that we were able to meet the tough challenges encountered. We dealt with the unpredictability of the league, where we enjoyed successes against the teams above us but failed to beat two of those relegated. There genuinely are no easy games in this division. The season will perhaps be remembered as the one in which the departure of Hogan in January was more than compensated for by the return of Jota and Canos, and the prolific scoring record of Vibe and Jota after Christmas.

Behind the scenes, in contrast to the previous season, we started with a settled management team that had been involved in the recruitment process over the summer and could help put their own stamp on the playing staff. But, of course, we also had to deal with the consequences of our continuing success at this level, meeting the need to keep recruiting young talent to replace those who we have developed and who have attracted the attentions of our competitors.

The Season

On the pitch, once again, the Club underwent significant change over the summer. Two of the stalwarts of our two Championship seasons, David Button and Jake Bidwell, left the Club, neither of them moving very far, to Fulham and QPR respectively. However, in Daniel Bentley and Rico Henry, the latter having worked with our head coach at Walsall and had represented England at Junior Levels, we recruited two young players as replacements who were being sought by other clubs. John Egan, an Irish international, joined from Gillingham to bolster our central defence and Romaine Sawyers, another Walsall player and a St Kitts international, was added to our talented midfield ranks. Rico Henry's first team debut was delayed by a shoulder injury that required surgery. Calum Elder was brought in on loan from Leicester as cover in that position. Sullay Kaikai was also recruited on loan from Crystal Palace to provide pace on the left of midfield.

The season started as the previous one had ended, with an away fixture to Huddersfield, but with a very different outcome. Of course, we had no idea then that our opponents would ultimately win promotion, and it was an early reminder of the challenge facing us. And it was a very disappointing period in the early months, with only one win, that coming at QPR, from early October through to mid- December. Even that win came at the cost of a long term injury to Lewis McLeod, a player that had promised much in his first continuous playing spell at the Club. The early defeats included losses to Blackburn, a team ultimately relegated and Rotherham, who only won three other games all season. A much anticipated trip to St James Park, made by over two thousand fans, also brought defeat, but one perhaps less surprising to a Newcastle team who were confirming all expectations of an early return to the Premier League.

Scott Hogan's return from long term injury for the last seven games of the previous season had been spectacular, and caused much speculation as to how we might have fared had he been up front with Andre Gray, as planned, in our first season in the Championship. And he continued to score throughout our difficult patch leading up to Christmas, causing much concern among fans about how we might cope if, as seemed likely, he was to leave in the transfer window. However, all such concerns proved groundless, and almost immediately, with a 3-0 defeat of Aston Villa coinciding with his departure to that Club. The mood was further enormously improved, as were subsequent performances and scores, by the return of Jota and the permanent signing of Sergi Canos, one of the most successful loan signings of the previous season. We also signed Florian Jozefzoon from PSV Eindhoven on a six month contract with an option to extend to further complement the pace and trickery on the wings.

In the midst of this much publicised activity, we also saw the departure of Sam Saunders, one of Brentford's most popular and long standing players. Sam arrived from Dagenham & Redbridge in 2009 and never gave less than 100% in a Brentford shirt, and his positive and engaging personality, as well as his professionalism, ensured his position on the list of fans' favourite players.

Brentford FC Limited

Chairman's statement for the year ended 30 June 2017 (continued)

The Season (continued)

In the second half of the season, the combined efforts in front of goal of Jota and Vibe proved decisive, the latter finishing as top scorer with 17 goals and Jota scoring a remarkable 12 in 23 games. There were still upsets and disappointments, including the return match with Newcastle where a point seemed the least we deserved. In contrast, the second half comeback at Burton, where the return from injury of Alan McCormack seemed to be decisive, kept the overall positive mood to the fore.

And so, with the anti-climax of the defeat by Blackburn on the final day at Griffin Park, a result that failed to reward their fighting spirit, we finished in a very creditable tenth position. It was another season where we depended on a better second half, but one in which many of our young players gained further experience of the rigours of championship football.

Football Management Team

There was greater stability behind the scenes over the summer than in the previous year, and Dean and Richard, having had over half a season to settle into the Club and the Championship, were able to take an active role with the rest of the staff in recruitment. Their familiarity with Rico and Romaine meant we were able to attract those talents ahead of other suitors. Thomas Frank joined our back room staff before Christmas as an additional assistant coach, adding another level of knowledge and experience, including a spell as manager in Denmark, to the mix.

We had taken the very difficult decision to close the Academy towards the end of the previous season and so 2016/17 was the first year of the new B Team set up, originally managed by Flemming Pedersen with the assistance of Kevin O'Connor. Following Flemming's departure at Christmas, Kevin assumed full control. Although we have only had one season to judge, the early signs of this new set up are very promising. There was some concern that it would be difficult to provide an attractive games programme for this team, given that it was not part of any league, but, in the course of the season, they lined up against under 21 sides from several Premier League Clubs and some prestigious foreign Clubs too. If anything, the programme is more varied and more testing than that of the equivalent Academy level. The resulting experience enabled several of the B team to make an appearance for the 1st team towards the end of the season, and we have high hopes of this continuing into successive seasons. Recruitment to that B team continued throughout the year.

Post End of Season Events

The Club's financial position, relative to most of the competition in the Championship, has been well documented, and so, while we maintain our aim of promotion to the Premier League, player trading remains an integral part of our business strategy. We were able to recruit five new players in the early part of the summer, knowing that certain players were targets or were not planning to renew their contracts and ultimately the three players who left were as we predicted. Harlee Dean had been a great servant to the club and had an outstanding season for us and deservedly won player of the season but he had made it clear he would not renew his contract. In the opinion of many fans, Jota was the best player ever seen in a Brentford shirt and we were all disappointed he did not want to stay but once that was clear we made sure that we achieved what we considered to be the right price for him. Our philosophy is clear. We have a considered view of the value of each player and we do not have to settle for less than that valuation. Players are only released when the price is right and it is the right thing to do for the long term financial viability of the club.

After a superb pre season in which we drew with Southampton and beat Celta Vigo, we were all anticipating a strong start to the season. As I write my report we have recovered from a poor start in terms of results with no wins in our first eight games followed by only two defeats in 17 games to sit in 11th place after 38 games. However, we have been applauded by many in the game for our performances and I do not think anyone would deny that we have deserved a significantly better return than achieved to date. I write these notes following our defeat to Millwall where no one can quite believe how we lost and that includes their owner!

Brentford FC Limited

Chairman's statement for the year ended 30 June 2017 (continued)

Finances

The accounts for the year under review show an operational loss of £853,957 (2016: £7,636,553) with a loss after taxation of £1,041,738 (2016: £12,612,750) and this represents a significant reduction in losses attributable to a large degree by the sale of players which yielded a profit of £12,773,657 (2016: £15,443,985).

Matthew Benham's total commitment to the club and the group at 30th June 2017 stands at £101,605,790 (2016: £89,859,593). This sum includes some £30,000,000 of secured loans specifically in relation to the Brentford Community Stadium project.

Brentford Community Stadium

During the last 12 months a detailed independent review of all aspects of the project was undertaken prior to confirming the Club's decision to proceed with the new stadium project at Lionel Road to replace Griffin Park. This comprehensive exercise has resulted in the adoption of a wide variety of changes aimed at updating and future proofing the proposed stadium design while at the same time de-risking the delivery of the project and, we believe, significantly improving the long term sustainability of the new stadium itself.

Implementation of the resulting changes required the submission, jointly by the Club and our development partner, BE Living Ltd (previously known as Willmott Dixon Residential), on the 8th September 2017 of a Section 73 "minor-material amendments" application to Hounslow Borough Council to amend the previous planning consents granted to the Club. I am pleased to report that these modifications were approved by the Council in December 2017 allowing stadium construction proper to commence in April 2018 with anticipated commissioning of the new stadium to be completed during Quarter 4 of 2019.

In the meantime, following the essential fulfilment of the various planning pre-conditions prior to June 2017, site preparatory and enabling works have been underway in earnest from August 2017 with perhaps the most tangible sign of this coming with the demolition of the Capital Court building during the months of September and October 2017 and the official spade in the ground ceremony fixed for Monday 19th March.

During the year Chris Gammon and, subsequent to the year end, Brian Burgess both resigned from the Board of Lionel Road Developments, the club subsidiary charged with responsibility for bringing the new stadium into existence. As I have stated previously the Club are extremely grateful for all the work they have both done in developing the project over many years and, in particular, for their part both in assembling the site and then obtaining the original planning consents. They leave the project with our sincere thanks for their contribution to its development.

Conclusion

The 2016/17 season has been another one of progress. We have a settled football department, a strong management team who are focused on delivering our agreed strategic objectives and we have now started to clear the site to enable building of the new stadium to commence in April 2018. There are many challenges that lie ahead, not least just competing at Championship level where we are in the bottom three in terms of revenue generated. However, we relish those challenges and are confident that we are continuing to improve in all areas. It only remains for me to thank my fellow Board Directors and all the staff at Brentford Football Club for their hard work and commitment to helping us achieve our ambitions.


Cliff Crown FCA
Chairman

Date 21 March 2018

Brentford FC Limited

Strategic report for the year ended 30 June 2017

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2017.

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 2017 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, as well as selling players when the Club believes the right valuation has been met.

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

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

Indicator	2016/17	2015/16	% change
Turnover (£m)	12.7	10.6	+20%
Operating loss (£m)	0.9	7.6	-89%
Season tickets (number)	5,840	6,137	-5%
Average attendance per game (number)	10,472	10,327	0%
Final position in Championship	10 th	9 th	

Turnover grew by 20% in the year to £12,696,094 (2016: £10,623,183).

The Club produced an operating loss in the year of £853,957 (2016: £7,636,553), a decrease in loss of 88%.

On behalf of the board



C Crown FCA (Chairman)
Director
21 March 2018

Brentford FC Limited

Report of the directors for the year ended 30 June 2017

The directors present their report together with the audited financial statements for the year ended 30 June 2017.

Information included in the strategic report

The strategic report above, along with other narrative in the Chairman's Statement, 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 10 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	
R Ankersen	(appointed 12 September 2016)
P Giles	(appointed 12 September 2016)

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). 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 2017 (continued)

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**

21 March 2018

Brentford FC Limited

Independent auditor's report

Opinion

We have audited the financial statements of Brentford FC Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2017 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Brentford FC Limited

Independent auditor's report

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the 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, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Brentford FC Limited

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

BDO LLP

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

2nd March 2018

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 2017

		Operations excluding player trading 2017	Player trading 2017	Total Year ended 30 June 2017	Total Year ended 30 June 2016
	Note	£	£	£	£
Turnover	2	12,696,094	-	12,696,094	10,623,183
Operating expenses		(22,619,635)	(4,294,603)	(26,914,238)	(34,197,002)
Other operating income		590,530	-	590,530	493,281
Gain on disposal of players' registrations	5	-	12,773,657	12,773,657	15,443,985
Group operating loss	3	(9,333,011)	8,479,054	(853,957)	(7,636,553)
Other interest receivable and similar income	8			170,365	-
Interest payable and similar charges	9			(358,146)	(4,976,197)
Loss on ordinary activities before and after taxation				(1,041,738)	(12,612,750)
Minority interest				799	651
Loss for the financial year				(1,040,939)	(12,612,099)
Revaluation of freehold property	10			-	8,600,000
Deferred taxation				162,777	(1,548,000)
Other comprehensive income for the year				162,777	7,052,000
Total comprehensive income for the year				(878,162)	(5,560,099)

All amounts relate to continuing activities.

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Consolidated statement of changes in equity at 30 June 2017

Notes	Called-up share capital	Revaluation reserve	Profit and loss account	Non- controlling interests	Total
At 01 July 2015	30,486,633	7,677,786	(30,335,669)	(598)	7,828,152
<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
At 30 June 2016	38,486,633	16,277,786	(42,696,863)	(1,249)	12,066,307
At 01 July 2016	38,486,633	16,277,786	(42,696,863)	(1,249)	12,066,307
<i>Comprehensive income for the year:</i>					
Loss for the year	-	-	(1,040,939)	(799)	(1,041,738)
Other comprehensive income	-	-	162,777	-	162,777
Total comprehensive income for the year	-	-	(878,162)	(799)	(878,961)
<i>Contributions by, and distributions to, owners:</i>					
Capital Redistribution	17	-	(8,589,104)	-	(8,589,104)
Total contributions by, and distributions to, owners	-	-	(8,589,104)	-	(8,589,104)
At 30 June 2017	38,486,633	16,277,786	(52,164,129)	(2,048)	2,598,242

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Company statement of changes in equity at 30 June 2017

Notes	Called-up share capital	Revaluation reserve	Profit and loss account	Total
At 01 July 2015	30,486,633	7,677,786	(31,612,581)	6,551,838
<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
At 30 June 2016	38,486,633	16,277,786	(44,058,488)	10,705,931
At 01 July 2016	38,486,633	16,277,786	(44,058,488)	10,705,931
<i>Comprehensive income for the year:</i>				
Loss for the year	-	-	(1,187,403)	(1,187,403)
Other comprehensive income	-	-	162,777	162,777
Total comprehensive income for the year	-	-	(1,024,625)	(1,024,625)
<i>Contributions by, and distributions to, owners:</i>				
Capital Redistribution	17	-	(8,589,104)	(8,589,104)
Total contributions by, and distributions to, owners	-	-	(8,589,104)	(8,589,104)
At 30 June 2017	38,486,633	16,277,786	(53,672,217)	1,092,202

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Consolidated statement of financial position at 30 June 2017

	Note	30 June 2017	30 June 2017	30 June 2016	30 June 2016
		£	£	£	£
Fixed assets					
Intangible assets	11		9,320,954		7,360,862
Tangible assets	12		<u>54,748,322</u>		<u>51,019,014</u>
			64,069,276		58,379,876
Current assets					
Stocks	14	58,865		170,193	
Debtors	15	8,445,816		8,360,485	
Debtors: amounts falling due after one year		2,479,339		-	
Cash at bank and in hand		<u>1,329,642</u>		<u>850,158</u>	
		12,313,662		9,380,836	
Creditors: amounts falling due within one year	16	<u>(43,823,148)</u>		<u>(15,618,768)</u>	
Net current liabilities			<u>(31,509,486)</u>		<u>(6,237,932)</u>
Total assets less current liabilities			32,559,790		52,141,944
Creditors: amounts falling due after more than one year	17		<u>(27,194,324)</u>		<u>(37,145,636)</u>
Provisions: deferred tax			<u>(2,767,224)</u>		<u>(2,930,001)</u>
Net Assets			<u>2,598,242</u>		<u>12,066,307</u>

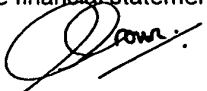
The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Consolidated statement of financial position at 30 June 2017 (continued)

	Note	30 June 2017	30 June 2017	30 June 2016	30 June 2016
		£	£	£	£
Capital and reserves					
Called up share capital	19		38,486,633		38,486,633
Revaluation reserve			16,277,786		16,277,786
Profit and loss account			<u>(52,164,129)</u>		<u>(42,696,863)</u>
Shareholders' funds			2,600,290		12,067,556
Minority interests			<u>(2,048)</u>		<u>(1,249)</u>
			<u>2,598,242</u>		<u>12,066,307</u>

The financial statements were approved by the board of directors and authorised for issue on 21 March 2018.


C Crown FCA (Chairman)
Director

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Company statement of financial position at 30 June 2017

<i>Company number 03642327</i>	Note	30 June 2017	30 June 2017	30 June 2016	30 June 2016
		£	£	£	£
Fixed assets					
Intangible assets	11		9,320,954		7,360,862
Tangible assets	12		19,950,199		20,384,438
Fixed asset investments	13		<u>517,052</u>		<u>24,325,636</u>
			29,788,205		41,927,196
Current assets					
Stocks	14	58,865		170,193	
Debtors	15	8,393,802		10,295,763	
Debtors: amounts falling due after one year		2,479,339		-	
Cash at bank and in hand		<u>1,164,647</u>		<u>804,587</u>	
		12,096,653		11,270,543	
Creditors: amounts falling due within one year	16	<u>(10,831,109)</u>		<u>(12,559,911)</u>	
Net current liabilities			<u>1,265,545</u>		<u>(1,289,368)</u>
Total assets less current liabilities			31,053,750		50,781,568
Creditors: amounts falling due after more than one year	17		(27,194,324)		(37,145,636)
Provisions: deferred tax			<u>(2,767,224)</u>		<u>(2,930,001)</u>
Net Assets			<u>1,092,202</u>		<u>10,705,931</u>

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Company statement of financial position at 30 June 2017 (continued)

	Note	30 June 2017	30 June 2017	30 June 2016	30 June 2016
		£	£	£	£
Capital and reserves					
Called up share capital	19		38,486,633		38,486,633
Revaluation reserve			16,277,786		16,277,786
Profit and loss account			<u>(53,672,217)</u>		<u>(44,058,488)</u>
Shareholders' funds			<u>1,092,202</u>		<u>10,705,931</u>

The loss for the year arising in the accounts of the company is £1,187,403 (2016: £12,696,812).

The financial statements were approved by the board of directors and authorised for issue on 21 March 2018.


C. Crown FCA (Chairman)
Director

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Consolidated cashflow statement for the year ended 30 June 2017

		Year ended 30 June 2017	Year ended 30 June 2017	Year ended 30 June 2016	Year ended 30 June 2016
	Note	£	£	£	£
Cash flows from operating activities					
Loss for the year		(1,041,738)		(12,612,750)	
Adjusted for:					
Depreciation and impairment of fixed assets	12	592,738		2,232,771	
Amortisation of intangible assets	11	4,294,603		4,465,942	
Gain on disposal of intangible assets		(12,773,657)		(15,443,985)	
Loss on disposal of fixed assets		-		11,794	
Finance costs	9	-		4,684,141	
Decrease in stocks		111,328		6,624	
Decrease/(increase) in debtors		238,884		(531,186)	
(Decrease)/increase in creditors		(3,162,585)		1,752,475	
Interest income	8	(170,365)		-	
Interest charges	9	358,146		292,056	
Cash outflow from operations		(11,552,646)		(15,142,118)	
Interest Paid		(358,146)		(292,056)	
Net cash outflow from operating activities			(11,910,792)		(15,434,174)
Cash flows from investing activities					
Purchases of tangible fixed assets		(4,322,047)		(3,820,499)	
Purchases of intangible assets		(5,733,380)		(7,134,777)	
Proceeds from sale of tangible assets		-		53,074	
Proceeds from sale of intangible assets		10,698,961		10,517,519	
Net cash inflow generated from/(used in) investing activities			643,534		(384,653)
Cash flows from financing activities					
New loans	17	11,743,874		5,728,025	
Shares issued	19	-		8,000,000	
Net cash inflow from financing activities			11,743,874		13,728,025
Net increase/(decrease) in cash and cash equivalents			476,616		(2,090,802)
Cash and cash equivalents at beginning of year			845,251		2,936,053
Cash and cash equivalents at end of year			1,321,867		845,251
Cash and cash equivalents comprise:					
Cash at bank and in hand			1,329,642		850,158
Bank overdrafts			(7,775)		(4,907)

The notes on pages 18 to 33 form part of these financial statements.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

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.

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 2017 using the acquisition method of accounting. 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 as 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 reviews 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 player's 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 2017

(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 to which it relates. 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.

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.

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

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.

Provisions are 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 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.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

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 – 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% 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:

- 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.

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 on 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 deferred 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.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

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. Until such time the conditions are met, such costs are disclosed as a contingent liability.

Profit or losses on the sale of players represent the transfer fee receivable, net of any transaction costs such as sell-on fees, 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.

2 Turnover

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Analysis by class of business:		
League & FA	6,530,444	4,598,629
Ticketing	3,506,725	3,054,527
Commercial	848,465	933,921
Retail	425,715	412,181
Catering	462,038	417,331
Other Football Income (inc televised games)	637,667	291,085
Academy	-	769,560
Media & Membership	159,794	145,949
Other income	125,246	-
	12,696,094	10,623,183

Turnover arises solely within the United Kingdom.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

3 Operating loss

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	571,569	535,458
Impairment of tangible fixed assets	21,169	1,697,313
Loss on disposal of fixed assets	-	11,794
Amortisation of intangible fixed assets	4,294,603	3,988,246
Impairment of intangible fixed assets	-	477,696
Hire of other assets - operating leases	206,811	249,734
Fees payable to the company's auditor (see note 4 below)	49,411	74,015

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

4 Auditors' remuneration

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Audit fee	23,158	34,500
Audit related services	3,587	
Tax compliance services	22,666	37,515
Other services	-	2,000
	49,411	74,015

5 Gain on disposal of players' registrations

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Gain on disposal of players' registrations	12,773,657	15,443,985

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

6 Director's and key management personnel remuneration

Directors received £107,898 in emoluments during the current year (2016 - £Nil). Details of amounts paid to Smartodds Limited, a related party, for the services of individuals who are directors of the company in connection with the management of the affairs of the group, are included in note 23.

Amounts totalling £424 were paid to the group's defined contribution pension scheme relating to directors during the year (2016 - £Nil).

There are no key management personnel who are not also directors.

7 Employees

Staff costs (including directors) consist of:

	Group 30 June 2017	Group 30 June 2016	Company 30 June 2017	Company 30 June 2016
	£	£	£	£
Wages and salaries	12,982,663	15,722,698	12,885,310	15,609,399
Social security costs	1,662,508	1,855,790	1,655,922	1,847,714
Other pension costs	24,853	24,281	24,604	24,064
	14,670,024	17,602,769	14,565,836	17,481,177

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

	Group 30 June 2017	Group 30 June 2016	Company 30 June 2017	Company 30 June 2016
	£	£	£	£
Administration and commercial staff	41	39	38	36
Playing and training staff	91	153	91	153
	132	192	129	189

8 Interest receivable and similar income

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
Unwinding of discount on player debtors and creditors	170,365	-
	170,365	-

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

9 Interest payable and similar charges

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
Other interest payable	79,557	60,067
Unwinding of discount on shareholder loans	-	4,684,141
Interest on factoring	<u>278,589</u>	<u>231,989</u>
	<u>358,146</u>	<u>4,976,197</u>

10 Taxation on loss on ordinary activities

No current tax has been charged or credited to the statement of comprehensive income in either the current or prior year. The deferred tax credit for the year is credited to other comprehensive income and relates to the change in the rate expected to apply when the deferred tax liability is reversed, from 18% to 17%.

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 2017	Year ended 30 June 2016
	£	£
Loss on ordinary activities before tax	(1,041,738)	(12,612,750)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	(205,743)	(2,522,550)
Effect of:		
Depreciation for year in excess of capital allowances	107,092	107,092
Tax losses carried forward for which no deferred tax asset has been recognised	<u>98,651</u>	<u>2,415,458</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

The group has unrelieved losses at 30 June 2017 of approximately £56.2m (2016 - £55.1m) 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.

Brentford FC Limited

Notes forming part of the financial statements
for the year ended 30 June 2017

11 Intangible fixed assets

Group and company

	Player Registrations £
<i>Cost</i>	
At 1 July 2016	12,952,888
Additions	6,813,549
Disposals	<u>(1,501,498)</u>
At 30 June 2017	<u>18,264,939</u>
<i>Amortisation</i>	
At 1 July 2016	5,592,026
Provided for the year	4,294,603
Disposals	<u>(942,644)</u>
At 30 June 2017	<u>8,943,985</u>
<i>Net book value</i>	
At 30 June 2017	<u>9,320,954</u>
At 30 June 2016	<u>7,360,862</u>

Brentford FC Limited

Note forming part of the financial statements
for the year ended 30 June 2017

12 Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Pitch turfing and drainage £	Long term leasehold £	Assets in the course of construction £	Total £
<i>Cost or valuation</i>								
At 1 July 2016	18,718,638	1,889,525	2,056,459	625,023	501,249	13,100,970	17,746,312	54,638,176
Additions	-	-	77,204	77,051	3,500	2,571,872	1,592,419	4,322,046
Transfer	-	-	-	-	334,124	-	(334,124)	-
At 30 June 2017	18,718,638	1,889,525	2,133,663	702,074	838,873	15,672,842	19,004,607	58,960,222
<i>Depreciation</i>								
At 1 July 2016	-	1,889,525	1,139,143	487,780	102,714	-	-	3,619,162
Provided for the year	-	-	341,707	52,716	177,146	-	-	571,569
Impairments	-	-	12,634	8,535	-	-	-	21,169
At 30 June 2017	-	1,889,525	1,493,484	549,031	279,860	-	-	4,211,900
<i>Net book value</i>								
At 30 June 2017	18,718,638	-	640,179	153,043	559,013	15,672,842	19,004,607	54,748,322
At 30 June 2016	18,718,638	-	917,316	137,243	398,535	13,100,970	17,746,312	51,019,014

Brentford FC Limited

Note forming part of the financial statements
for the year ended 30 June 2017

12 Tangible fixed assets (continued)

Company

	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Pitch turfing and drainage £	Assets in the course of construction £	Total £
<i>Cost or valuation</i>							
At 1 July 2016	18,600,000	1,889,525	2,053,157	622,829	501,249	334,124	24,000,884
Additions	-	-	76,892	77,051	3,500	-	157,443
Transfer	-	-	-	-	334,124	(334,124)	-
At 30 June 2017	18,600,000	1,889,525	2,130,049	699,880	838,873	-	24,158,327
<i>Depreciation</i>							
At 1 July 2016	-	1,889,525	1,137,164	487,043	102,714	-	3,616,446
Provided for the year	-	-	341,191	52,176	177,146	-	570,513
Impairments	-	-	12,634	8,535	-	-	21,169
At 30 June 2017	-	1,889,525	1,490,989	547,754	279,860	-	4,208,128
<i>Net book value</i>							
At 30 June 2017	18,600,000	-	639,060	152,126	559,013	-	19,950,199
At 30 June 2016	18,600,000	-	915,993	135,786	398,535	-	20,384,438

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

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. In the view of the directors, having given the matter appropriate consideration, this valuation remains appropriate at 30 June 2017.

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

	Group 30 June 2017 £	Group 30 June 2016 £	Company 30 June 2017 £	Company 30 June 2016 £
Historic cost	15,541,822	15,541,822	2,322,214	2,322,214
Revaluation	16,277,786	16,277,786	16,277,786	16,277,786
	31,819,608	31,819,608	18,600,000	18,600,000

13 Fixed asset investments

Company

	Group undertakings £	Loans £	Total £
<i>Cost or valuation</i>			
At 1 July 2016	52,604	24,273,032	24,325,636
Settlement of loans	-	(23,808,584)	(23,808,584)
At 30 June 2017	52,604	464,448	517,052

The settlement of loans refers to a net settlement of shareholder loans across the group not involving cash settlement. See note 17.

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 2017

14 Stocks

	Group and company 30 June 2017 £	Group and company 30 June 2016 £
Raw materials and consumables	8,146	9,676
Merchandise	232,012	212,251
Stock Provision	<u>(181,293)</u>	<u>(51,734)</u>
	<u>58,865</u>	<u>170,193</u>

The total of stock recognised as an expense in the year was £324,215 (2016: £295,773).

15 Debtors

	Group 30 June 2017 £	Group 30 June 2016 £	Company 30 June 2017 £	Company 30 June 2016 £
Trade debtors	393,686	217,609	383,976	176,478
Amounts owed by group undertakings	-	-	-	2,031,832
Other debtors	51,261	40,596	15,406	10,247
Prepayments and accrued income	1,142,154	1,567,780	1,135,705	1,542,706
Player debtors	<u>9,338,054</u>	<u>6,534,500</u>	<u>9,338,054</u>	<u>6,534,500</u>
	<u>10,925,155</u>	<u>8,360,485</u>	<u>10,873,141</u>	<u>10,295,763</u>

Included in player debtors above are amounts falling due after one year of £2,479,339 (2016: £Nil).

16 Creditors: amounts falling due within one year

	Group 30 June 2017 £	Group 30 June 2016 £	Company 30 June 2017 £	Company 30 June 2016 £
Bank loans and overdrafts (secured)	7,775	4,907	7,775	4,907
Other shareholder loans (secured)	33,205,153	2,920,865	2,920,865	2,920,865
Trade creditors	885,035	1,492,757	592,643	1,420,250
Player creditors	2,829,783	1,749,614	2,829,783	1,749,614
Taxation and social security	1,159,590	1,477,958	1,278,646	1,487,751
Other creditors	9,863	43,690	13,326	35,247
Progress payments received	2,500,000	2,500,000	-	-
Deferred income	1,784,246	1,516,920	1,784,246	1,476,615
Accrued expenses	<u>1,441,703</u>	<u>3,912,057</u>	<u>1,403,825</u>	<u>3,464,662</u>
	<u>43,823,148</u>	<u>15,618,768</u>	<u>10,831,109</u>	<u>12,559,911</u>

Other loans are secured by legal charges and debentures over the group's assets. The increase in the group's other loans is a result of shareholder loans made to Lionel Road Developments Ltd as detailed in note 17.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

17 Creditors: amounts falling due after more than one year

	Group 30 June 2017	Group 30 June 2016	Company 30 June 2017	Company 30 June 2016
	£	£	£	£
Shareholder's loans (secured)	<u>27,194,324</u>	37,145,636	<u>27,194,324</u>	37,145,636

Effective from 1 July 2017, the company renegotiated its shareholder loans such that under the new terms, all loans will become payable after a continually-rolling period of 367 days.

The capital redistribution included as a change in equity arises as a result of the acceleration of the remaining amounts that would have been charged to interest payable as unwinding of discount on shareholder loans, less the effect of discounting the shareholder loans at a rate of 12.5% over the rolling 367 day term.

Furthermore, during the year a net settlement of the shareholder loans within the group took place in conjunction with the Company's shareholder advancing new loans directly to subsidiaries in replacement of funding previously advanced by the company to its subsidiaries. As the funds advanced by the Company's shareholder to subsidiaries were equal to the funds received, no cash payments were made.

This has resulted in a remaining amount due of £30,593,615 as at 30 June 2017. Total funds advanced to the group during the year were £11,743,874 (2016: £5,728,025).

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

18 Deferred taxation

	30 June 2017	30 June 2016
	£	£
<i>Unrecognised deferred tax assets</i>		
Depreciation in advance of capital allowances	620,142	513,050
Tax losses	9,554,000	9,916,010
	<u>10,174,142</u>	<u>10,429,060</u>

Recognised deferred tax liability

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.

The deferred tax liability of £2,767,224 (2016: £2,930,001) 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.

19 Share capital

	30 June 2017	30 June 2016
	£	£
<i>Allotted, called up and fully paid</i>		
557,281 (2016: 557,281) Ordinary shares of £25 each	13,932,025	13,932,025
24,554,608 (2016: 24,554,608) Preference shares of £1 each	24,554,608	24,554,608
1 (2016: 1) BU Special share of 1 pence each	-	-
	<u>38,486,633</u>	<u>38,486,633</u>

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

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 rights to participate in a distribution.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

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.

The group has also entered into contractual agreements regarding player purchases from other clubs which include certain contingent liabilities. These liabilities are triggered based on players reaching certain milestones in terms of appearances for the first team or Brentford FC being promoted to the Premier League. These contingent liabilities total £4,125,000.

21 Commitments under operating leases

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

	30 June 2017 £	30 June 2016 As restated £
Not later than 1 year	203,976	206,811
Later than 1 year and not later than 5 years	300,907	470,183
	504,883	676,994

22 Related party disclosures

Bees United is registered under the Cooperative and Community Benefit Societies Act 2014, and is controlled by approximately 2000 members that each hold one member share in the society. Former and current directors of the Company 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 Bird, D Merritt and M Chapman.

Bees United has made interest free loans totalling £679,911 (2016: £679,911) to the company at the year end of which £402,000 (2016: £402,000) is secured by legal charges over the company's freehold property. The loan is repayable in full on demand.

A further balance of £7,326 (2016: £4,046) is owed to Bees United which is unsecured.

Mr M Benham is a director of the Company and major shareholder of Smartodds Limited from which Brentford FC Limited made purchases of £492,816 (of which £57,731 pertained to services of individuals who are directors of the Company). All transactions were conducted on an arm's length basis on normal trading terms. At 30 June 2017, there was an outstanding balance of £63,993 (2016: nil).

Mr M Benham has made loans to Brentford FC Ltd and Lionel Road Developments Ltd of £60,877,903 (2016: £49,134,031) 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.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2017

23 Related party disclosures *(continued)*

Subsidiary undertakings of the company paid £103,452 (2016: £85,754) for professional services to CG Consult Ltd, a company in which C Gammon, a director of the subsidiaries during the year, is materially interested as a shareholder.

Subsidiary undertakings of the company paid £105,253 (2016: £86,487) for professional services to Briburg Ltd, a company in which B Burgess, a director of the subsidiaries during the year, is materially interested as a shareholder.