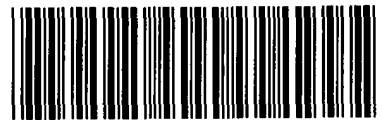


**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 June 2019**
for
Brentford FC Ltd

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Brentford FC Ltd

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for the Year Ended 30 June 2019**

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Brentford FC Ltd
Company Information
for the Year Ended 30 June 2019

Directors: R Ankersen
M Choudhuri
C Crown FCA
P R Giles
D G Kerr
M J Power
N S Raj
S P Purvis

Secretary: L J Skelhorn

Registered office: Griffin Park
Braemar Road
Brentford
Middlesex
TW8 0NT

Registered number: 03642327 (England and Wales)

Auditors: BDO LLP
55 Baker Street
London
W1U 7EU

Brentford FC Ltd
Chairman's Report
for the Year Ended 30 June 2019

Executive Summary

Our fifth consecutive season in the Championship resulted in yet another top half finish. We compete in arguably the most competitive league in the world of football with the most financially rewarding windfall for those that make it to the Premier League.

The 2018/19 season was the year that saw significant progress made on the new Brentford Community Stadium and everyone can now look forward to our move and give Griffin Park a wonderful send off as we approach our last ever season there after 115 years.

The remarkable achievement of making a £27.2m profit on player trading this year also means we have sold players for over £100m in the last 6 years. While this is often difficult to accept from a fans perspective it is the only way the club can currently remain both financially sustainable and keep ticket prices affordable. And yet few would argue that we did not have the most talented and strongest all round squad during that period.

The season also saw the departure of our CEO Mark Devlin after seven years' service and we are very grateful to Mark for his leadership during this period. After a three and a half month period, where I stepped in as interim CEO, we were delighted to appoint Jon Varney and he has made a very impressive start to his time with us.

On behalf of the club we would like to extend our thanks to David Merritt for all of his help and support over his time with us. We would like to welcome Stewart Purvis who joined us in March as David's replacement as representative of Bees United.

The Season

This 2018/19 season, for the first time, the transfer window closed for Championship clubs a few days after the first match. So most of our business in that respect was complete prior to the pre-season games, with John Egan, Andreas Bjelland, and Florian Josefzoon leaving, and Said Benrahma, Julian Jeanvier, and Ezri Konsa arriving. The extension of the loan window allowed Stoke to take Ryan Woods later in August and permanently in January. In addition to these new recruits, there was also the expectation that Emiliano Marcondes, who had arrived at the start of the year, and fully fit after a full pre-season, would add flair and pace to our midfield. Sadly, having shown great promise, he suffered a bad injury in the last pre-season game against Watford and was only seen sporadically in an injury hit season. Rico Henry, who had suffered a serious knee injury at Middlesbrough in September 2017 didn't return until late November 2018 and similarly didn't have a sustained run in the side thereafter.

In sharp contrast to the early games of the 2017/18 campaign, the season started brightly, the relatively comfortable 5-1 home win against newly promoted Rotherham setting us on our way. And the successive home games maintained that momentum, with wins against Sheffield Wednesday, Nottingham Forest and Wigan. Over the same period, the uncharacteristic mix up between Chris Mepham and Daniel Bentley at newly relegated Stoke, in a game we had dominated, and the last minute goal by Aston Villa, gave no indication that it would be January before we recorded an away win, one of only two all season. Neal Maupay was a shining light, showing signs of being the lethal striker we needed, and Said Benrahma, while clearly still adjusting to the cut and thrust of the Championship, looked to be another fantastic signing. However, a frailty in defence was undermining our offensive promise, and we entered a long period without a win.

Brentford FC Ltd

Chairman's Report for the Year Ended 30 June 2019

The Carabao Cup provided an early high point in the season. First and second round wins against Southend and Cheltenham respectively, with goals by our new centre half Julian Jeanvier in both games, setting up a tie at the Emirates against Arsenal, a team we hadn't met for over 70 years. It was to prove a great night with the Premier League side having to bring on their big guns to prevent an upset, the highlight for Brentford being our 8,800 following of Bees fans and the superb set piece goal by Alan Judge. Alan had had a very long recuperation from the broken leg sustained at Ipswich over a season before and, the Arsenal game apart, had struggled to regain his sparkling form of his earlier seasons with the Club.

The departure of the management team to Aston Villa halfway through this period clearly didn't help. Dean and Richard left in the midst of a run that had seen us take four points from a possible fifteen and, understandably, it took Thomas Frank a while to turn things around. It was a further four games before we recorded our first win in nine games, beating Millwall at home. The tragic death of Rob Rowan, at the same time, a huge presence at the training ground, was another significant factor in the downturn and it is credit to all involved that we steadied the ship and got back on track.

In football terms, an adjustment to the defensive formation was instrumental in that transformation, and with the new management team settling in, the team became much more competitive and started to pick up points. The televised game at the Hawthorns against West Brom was a very one-sided affair in their favour but we held on and in the dying moments snatched a late equaliser, demonstrating a stronger spirit emerging among the team. The first away win of the season which came at Rotherham in January was a very welcome start to the year, and while it was a false dawn in terms of further away wins, we started to look up the table rather than over our shoulders.

The January transfer window saw the departure of Chris Mepham to Bournemouth. There had been much speculation about Premier League Clubs interest in Chris over the previous summer and the Club and player parted on the best possible terms. The development of young players like Chris from B team to first team squad is fundamental to the business model of Brentford FC, and the clear pathway to Premier League football increases our reputation among players and agents as well as ensuring our financial sustainability.

On the field, January saw us progress past Oxford and Cheltenham in the third and fourth rounds of the FA Cup, giving valuable game time to some of our promising B team players, and setting up a televised game against Swansea in the fifth round. If ever there was a game of two halves, this was it, with Brentford so totally dominant in the first half that all thoughts were of who we might meet in the next round. Swansea, however, completely overwhelmed us in the second half, with Daniel James, showing all the quality and electric pace that had attracted interest from Leeds at Christmas, and subsequently Manchester United in the summer, the star of the show. It was all the more disappointing for the sense that we contributed to our own defeat by dint of a couple of major defensive errors, but that was perhaps the story of the season overall.

The rest of the games went largely to form, with the 3 - 3 home game against the resurgent Derby County, under the management of Frank Lampard, being perhaps one of the more exciting encounters. We continued to play the attractive entertaining football that we had in previous campaigns, but despite the striking prowess of Neal Maupay, who finished with 28 goals for the season and the growing reputations of the midfielders Romaine Sawyers, Said Benrahma and Ollie Watkins, we failed to go on a sustained run of victories and the mid table finish reflected the effect of the disruptions pre Christmas and patchy defensive form throughout.

Brentford FC Ltd

Chairman's Report for the Year Ended 30 June 2019

Football Management Team

This year was the one in which we said goodbye to Dean Smith after nearly three years in charge. As usual, we were well prepared for this (although no one thought that a week before Christmas!) and Thomas Frank stepped up to the Head Coach role. I'd like to place on record my thanks to Dean and Richard for all their efforts whilst at Brentford. They are really great guys and the lure of managing the team that is in his family's blood was one that Dean could not resist and we were not going to stand in his way. The challenging situation that Thomas inherited was followed by a great run of form in the second half of the season as we climbed up the table and that form has largely been carried over into this season. Dean's departure led to the appointment of Brian Riemer as assistant coach and the elevation of Kevin O'Connor to the first team coaching staff and this resulted in new coaches for the B team. We were pleased to welcome Neil MacFarlane as B team head coach and delighted that our very own Sam Saunders joined as his number 2.

The B team has grown with great support from Allan Steele and we are creating real opportunities for players to develop and move up to the 1st team squad as Jan Zamburek, Luka Racic and Patrik Gunnarson, to name but three, have shown. Our B team players continue to receive international call ups which bears testament to what we are doing at this level.

The sudden and untimely death of Rob Rowan the day after the away game at QPR shook the whole club to the core. Rob was such an inspirational character around the training ground in particular and especially in relation to the B team and its games programme. The outpouring of affection after his death was testament to the impact he had on so many people and he continues to be sorely missed by all who knew and worked with him. The continuing success of our B team is a lasting tribute to him.

Finances

The Financial statements for the year under review show a group operating loss of £3.8m (2018: loss of £18.5m) before player trading. This much reduced accounting loss is largely as a result of the transfer of certain land at Lionel Road in accordance with the Development Agreement which contributed a £13.7m accounting profit during the year. The profit before taxation was £24.3m (2018: loss of 3.9m). This is after gains on disposal of player registrations of £27.2m (2018: £14.1m)

Matthew Benham's total commitment to the group at 30th June 2019 stands at £100.1m (2018: £113.9m). This sum includes £19.6m (2018: £33.6m) of secured loans specifically in relation to the Brentford Community Stadium project.

As per note 12 of the financial statements, Griffin Park was revalued to the amount at which it will be sold for to the Developer once we have moved to our new stadium. This produced a £17.1m uplift in the current year to the net assets of the Group less the £2.9m associated to the Deferred tax charge.

Finally as referred to in note 4 there has been a significant increase in staffing towards the end of the financial year as we work towards our move to the new stadium.

Brentford FC Ltd
Chairman's Report
for the Year Ended 30 June 2019

Post Season Events

As usual there was a significant amount of transfer activity with 9 players leaving and 9 joining us. The loss of Maupay and Sawyers was not unexpected and the summer window was notable for Brentford being the highest spending club in the Championship. More than a few eyebrows were raised when we secured the signing of Pontus Jansson who has quickly become an outstanding Captain.

At the time of writing, this season is looking particularly tight with Brentford currently in third place, six points behind second placed Leeds, but with only 9 points separating third from thirteenth in the table and with so little to choose between the teams at the top we believe we could well be in the mix at the business end of the season. As I write this report, after our convincing win at home to QPR, there is a real belief that we can mount a challenge for the automatic promotion places.

Off the field Jon Varney led the move into new offices on the Great West Road, overlooking the new stadium and has added additional team members in many of the commercial areas of the business including a new venue optimisation department that will concentrate on our sales effort to maximise the income we can achieve from the new stadium.

Highlights also include the introduction of Umbro as our Official Kit Supplier, to date all three kits are selling well and we are confident the kit designs for the 2020/21 Season will prove popular with our fans. We have also seen record Season Ticket Sales of over 6,600 and significantly increased attendances for our final season at Griffin Park, this is a very positive sign ahead of our move to the new stadium.

The players have now had their first tour of the new stadium and our plans for our move, as well as our farewell to Griffin Park, are far advanced. The migration of season ticket holders to our new home is of paramount importance and I am confident we will achieve a seamless move. The BFC Community Sports Trust continues to go from strength to strength and will be a key partner in the new Gunnersbury Park project which goes live in January 2020.

The Club is in great shape and we are held in high regard by our peers because of the way we run the club, our success in the transfer market, and our recruitment which continues to unearth great talent we can grow and develop. Long may this continue!

Brentford Community Stadium

We have made enormous progress over the last 12 months on our new stadium and I think the vast majority of fans are impressed by what they have seen so far. As I write this we are on the final stretch as we head towards the last three months work largely focused on the internal areas, the IT infrastructure, and the mechanical and electrical works. We are making good progress in relation to sponsors and club partners and by the time you read this report I am confident we will have secured a naming rights partner and founding stadium sponsors. We are delighted to welcome onboard, Levy UK, as our official catering partners. Levy have an impressive pedigree in catering venues such as Twickenham, Wimbledon Tennis, Chelsea FC and Tottenham Hotspur FC. We are confident Levy will deliver first class food and beverage services for our fans and Premium Seating customers.

Brentford FC Ltd
Chairman's Report
for the Year Ended 30 June 2019

The sale of the premium seats has made a good start with the 1889 lounge almost sold out but we still have a lot of seats to sell to meet our target which is so fundamental in our desire to significantly enhance our match day income.

Season tickets went on sale in January 2020 and our aim is to sell 10,000 season tickets in the first season. As it currently stands we are on track and largely on budget and so I am extremely confident we will be able to open the stadium in July 2020 following the test events to be held in April and May 2020.

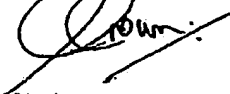
Conclusion

The 2018/19 season has been yet another season where we have produced a very creditable outcome with highs, lows and challenges overcome. Our fifth consecutive top half finish for a club with a bottom six income is really quite remarkable as is our continued success in the transfer market.

There is plenty to be optimistic about, but as usual there will be challenges ahead and how we deal with them will ultimately determine the outcome.

However, what I can say with real conviction is that there is a real togetherness throughout the club, and a steely determination to follow in the footsteps of Bournemouth, Brighton and Sheffield United to name but three in recent seasons reaching the Premier League. We will remain humble, take one game at a time and see where this takes us. In closing, I would like to thank my fellow Board Directors and all the staff for their continuing hard work and dedication to achieving our objectives. The dream of playing our first competitive match in our new stadium in the Premier League is more believable now than it has ever been.

Cliff Crown FCA



Chairman

26/02/2020

Brentford FC Ltd
Group Strategic Report
for the Year Ended 30 June 2019

The directors present their strategic report of the company and the group for the year ended 30 June 2019.

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 2019 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 to be:

- 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 and the development of the Club's new stadium;
- Impact of Brexit affecting the transfer of players in the EU; and
- Managing working capital and tax affairs that require complex forecasting and scenario planning.

The above risks have been mitigated as follows:

- Additional players have been bought during the year to improve the depth of the squad.
- Additional staff have been recruited to help with the growing nature of the organisation.
- There is a large emphasis by the club on fan engagement to bring in additional supporters.
- The club has a proactive approach to any changes in the regulatory environment.
- There is a growing focus by the club to bring in funds through other revenue streams.
- Discussions have taken place on how best to prepare for the impact of Brexit.
- The maintaining of detailed cash forecast including appropriate sensitivities.

Brentford FC Ltd

**Group Strategic Report
for the Year Ended 30 June 2019**

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.

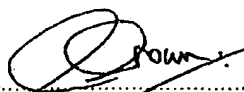
Indicator	2018/19	2017/18	% Change
Turnover (£m)	15.2	12.7	+19.7%
Operating Profit/(Loss) (£m)	23.4	(4.4)	+631%
Season tickets (number)	5,757	5,828	-1%
Average attendance per game (number)	11,265	10,581	+6.5%
Final position in Championship	11th	9th	

Turnover grew by 19.7% in the year to £15,249,985 (2018: £12,629,724) mainly due to increased League and FA income and ticketing income

The Club produced an operating profit after player trading in the year of £23,428,456 (2018: loss of £4,415,341), mainly due to gains on disposal of players' registrations.

The Club is in a net asset position of £34,224,587 (2018: net liability of £263,372). This is as a result of the profit for the year in combination with a further revaluation of Griffin Park. This further revaluation is based on the value agreed as part of the amended development agreement signed in August 2018.

On behalf of the board:



.....
C Crown FCA - Director

Date: 26/2/2020

Brentford FC Ltd

Report of the Directors for the Year Ended 30 June 2019

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2019.

Dividends

No dividends will be distributed for the year ended 30 June 2019.

Directors

The directors shown below have held office during the whole of the period from 1 July 2018 to the date of this report.

R Ankersen
M Choudhuri
C Crown FCA
P R Giles
D G Kerr
M J Power
N S Raj

Other changes in directors holding office are as follows:

D L Merritt - resigned 1 March 2019
S P Purvis - appointed 1 March 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Brentford FC Ltd

**Report of the Directors
for the Year Ended 30 June 2019**

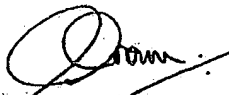
Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, 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 Crewn FCA - Director

Date: 26/2/2020

**Report of the Independent Auditors to the Members of
Brentford FC Ltd**

Opinion

We have audited the financial statements of Brentford FC Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, and 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 affairs as at 30 June 2019 and of the group's profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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'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.

**Report of the Independent Auditors to the Members of
Brentford FC Ltd**

Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors 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 Group 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 Group 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 Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, 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 determine 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.

**Report of the Independent Auditors to the Members of
Brentford FC Ltd**

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

BDO LLP.

Ian Clayden (Senior Statutory Auditor)
for and on behalf of BDO LLP
55 Baker Street
London
W1U 7EU

Date: 27 February 2020

Brentford FC Ltd

**Consolidated Income Statement
for the Year Ended 30 June 2019**

	Notes	30/6/19 £	30/6/18 £
Turnover	2	15,249,985	12,629,724
Administrative expenses		<u>(35,334,885)</u>	<u>(31,468,742)</u>
		(20,084,900)	(18,839,018)
Other operating income	3	<u>16,311,383</u>	<u>355,122</u>
Operating loss before player trading	5	<u>(3,773,517)</u>	<u>(18,483,896)</u>
Gain on disposal of players' registrations	6	<u>27,201,973</u>	<u>14,068,555</u>
Operating profit/(loss)		23,428,456	(4,415,341)
Interest receivable and similar income	7	<u>1,045,438</u>	<u>740,521</u>
		24,473,894	(3,674,820)
Interest payable and similar expenses	8	<u>(170,888)</u>	<u>(185,636)</u>
Profit/(loss) before taxation		24,303,006	(3,860,456)
Tax on profit/(loss)	9	<u>(4,271,282)</u>	<u>(295)</u>
Profit/(loss) for the financial year		<u>20,031,724</u>	<u>(3,860,751)</u>
Profit/(loss) attributable to: Owners of the parent		<u>20,031,758</u>	<u>(3,860,637)</u>
Non-controlling interests		<u>(34)</u>	<u>(114)</u>
		<u>20,031,724</u>	<u>(3,860,751)</u>

The notes form part of these financial statements

Brentford FC Ltd

**Consolidated Statement of Other Comprehensive Income
for the Year Ended 30 June 2019**

Notes	30/6/19 £	30/6/18 £
Profit/(loss) for the year	20,031,724	(3,860,751)
Other comprehensive income		
Revaluation of freehold property	17,100,000	-
Deferred tax on revaluation	(2,907,000)	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the year, net of income tax	14,193,000	-
Total comprehensive income for the year	34,224,724	(3,860,751)
Total comprehensive income attributable to:		
Owners of the parent	34,224,758	(3,860,637)
Non-controlling interests	(34)	(114)
	34,224,724	(3,860,751)

The notes form part of these financial statements

Brentford FC Ltd
Consolidated Balance Sheet
30 June 2019

	Notes	30/6/19 £	30/6/18 £
Fixed assets			
Intangible assets	11	15,320,259	13,690,109
Tangible assets	12	51,116,756	32,572,390
Investments	13		
		<u>66,437,015</u>	<u>46,262,499</u>
Current assets			
Stocks	14	125,781	31,318,731
Debtors	15	53,680,981	12,275,353
Cash in hand		2,164,135	1,059,523
		<u>55,970,897</u>	<u>44,653,607</u>
Creditors			
Amounts falling due within one year	16	<u>(38,877,476)</u>	<u>(48,996,708)</u>
Net current assets/(liabilities)		<u>17,093,421</u>	<u>(4,343,101)</u>
Total assets less current liabilities		83,530,436	41,919,398
Creditors			
Amounts falling due after more than one year	17	<u>(38,481,341)</u>	<u>(35,187,418)</u>
Provisions for liabilities	19	<u>(10,824,508)</u>	<u>(6,995,352)</u>
Net assets/(liabilities)		<u><u>34,224,587</u></u>	<u><u>(263,372)</u></u>

The notes form part of these financial statements

Brentford FC Ltd

Consolidated Balance Sheet - continued
30 June 2019

	Notes	30/6/19 £	30/6/18 £
Capital and reserves			
Called up share capital	20	38,486,633	38,486,633
Revaluation reserve		33,377,786	16,277,786
Retained earnings		(37,637,636)	(55,025,629)
Shareholder funds		34,226,783	(261,210)
Non-controlling interests		(2,196)	(2,162)
Total equity		34,224,587	(263,372)

The financial statements were approved by the Board of Directors on
26 February 2020 and were signed on its behalf by:


.....
C Crown FCA - Director

The notes form part of these financial statements.

Brentford FC Ltd
Company Balance Sheet
30 June 2019

	Notes	30/6/19 £	30/6/18 £
Fixed assets			
Intangible assets	11	15,320,259	13,690,109
Tangible assets	12	37,166,457	19,768,812
Investments	13	52,604	517,052
		<u>52,539,320</u>	<u>33,975,973</u>
Current assets			
Stocks	14	125,781	192,476
Debtors	15	26,565,387	12,000,162
Cash in hand		2,153,561	1,027,978
		<u>28,844,729</u>	<u>13,220,616</u>
Creditors			
Amounts falling due within one year	16	<u>(12,863,790)</u>	<u>(10,803,394)</u>
Net current assets		<u>15,980,939</u>	<u>2,417,222</u>
Total assets less current liabilities		<u>68,520,259</u>	<u>36,393,195</u>
Creditors			
Amounts falling due after more than one year	17	<u>(38,481,341)</u>	<u>(35,187,418)</u>
Provisions for liabilities	19	<u>(10,824,508)</u>	<u>(2,767,224)</u>
Net assets/(liabilities)		<u><u>19,214,410</u></u>	<u><u>(1,561,447)</u></u>

The notes form part of these financial statements

Brentford FC Ltd

Company Balance Sheet - continued
30 June 2019

	Notes	30/6/19 £	30/6/18 £
Capital and reserves			
Called up share capital	20	38,486,633	38,486,633
Revaluation reserve		33,377,786	16,277,786
Retained earnings		(52,650,009)	(56,325,866)
Shareholders' funds		<u>19,214,410</u>	<u>(1,561,447)</u>
Company's profit/(loss) for the financial year		<u>6,319,622</u>	<u>(3,652,786)</u>

The financial statements were approved by the Board of Directors on
26 February 2020 and were signed on its behalf by:



.....
C. Crown FCA - Director

The notes form part of these financial statements

Brentford FC Ltd

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 July 2017	38,486,633	(52,164,129)	16,277,786
Changes in equity			
Deficit for the year	-	(3,860,637)	-
Total comprehensive income	-	(3,860,637)	-
Capital Contribution	-	999,137	-
Balance at 30 June 2018	<u>38,486,633</u>	<u>(55,025,629)</u>	<u>16,277,786</u>
Changes in equity			
Profit for the year	-	20,031,758	-
Other comprehensive income	-	(2,907,000)	17,100,000
Total comprehensive income	-	17,124,758	17,100,000
Capital Contribution	-	263,235	-
Balance at 30 June 2019	<u>38,486,633</u>	<u>(37,637,636)</u>	<u>33,377,786</u>
	Total	Non-controlling	Total
	£	interests	equity
		£	£
Balance at 1 July 2017	2,600,290	(2,048)	2,598,242
Changes in equity			
Deficit for the year	(3,860,637)	(114)	(3,860,751)
Total comprehensive income	(3,860,637)	(114)	(3,860,751)
Capital Contribution	999,137	-	999,137
Balance at 30 June 2018	<u>(261,210)</u>	<u>(2,162)</u>	<u>(263,372)</u>
Changes in equity			
Profit for the year	20,031,758	(34)	20,031,724
Other comprehensive income	14,193,000	-	14,193,000
Total comprehensive income	34,224,758	(34)	34,224,724
Capital Contribution	263,235	-	263,235
Balance at 30 June 2019	<u>34,226,783</u>	<u>(2,196)</u>	<u>34,224,587</u>

The notes form part of these financial statements

Brentford FC Ltd

**Company Statement of Changes in Equity
for the Year Ended 30 June 2019**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 July 2017	38,486,633	(53,672,217)	16,277,786	1,092,202
Changes in equity				
Deficit for the year	-	(3,652,786)	-	(3,652,786)
Total comprehensive income	-	(3,652,786)	-	(3,652,786)
Capital Contribution	-	999,137	-	999,137
Balance at 30 June 2018	<u>38,486,633</u>	<u>(56,325,866)</u>	<u>16,277,786</u>	<u>(1,561,447)</u>
Changes in equity				
Profit for the year	-	6,319,622	-	6,319,622
Other comprehensive income	-	(2,907,000)	17,100,000	14,193,000
Total comprehensive income	-	3,412,622	17,100,000	20,512,622
Capital Contribution	-	263,235	-	263,235
Balance at 30 June 2019	<u><u>38,486,633</u></u>	<u><u>(52,650,009)</u></u>	<u><u>33,377,786</u></u>	<u><u>19,214,410</u></u>

The notes form part of these financial statements

Brentford FC Ltd

**Consolidated Cash Flow Statement
for the Year Ended 30 June 2019**

	Notes	30/6/19 £	30/6/18 £
Cash flows from operating activities			
Cash generated from operations	1	(8,990,719)	(11,428,672)
Interest paid		(29,514)	(86,672)
Tax paid		(703)	(295)
Net cash from operating activities		<u>(9,020,936)</u>	<u>(11,515,639)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(7,644,739)	(11,463,687)
Purchase of tangible fixed assets		(2,010,041)	(4,482,276)
Sale of intangible fixed assets		17,583,762	14,912,027
Sale of land pursuant to the DA		16,147,552	-
Net cash from investing activities		<u>24,076,534</u>	<u>(1,033,936)</u>
Cash flows from financing activities			
New loans in year		7,222,549	12,287,231
Loan repayments in year		(21,173,535)	-
Net cash from financing activities		<u>(13,950,986)</u>	<u>12,287,231</u>
Increase/(decrease) in cash and cash equivalents		<u>1,104,612</u>	<u>(262,344)</u>
Cash and cash equivalents at beginning of year	2	<u>1,059,523</u>	<u>1,321,867</u>
Cash and cash equivalents at end of year	2	<u><u>2,164,135</u></u>	<u><u>1,059,523</u></u>

The notes form part of these financial statements

Brentford FC Ltd

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2019**

1. Reconciliation of profit/(loss) before taxation to cash generated from operations	30/6/19	30/6/18
	£	£
Profit/(loss) before taxation	24,303,006	(3,860,456)
Depreciation charges	565,675	677,680
Amortisation of intangible assets	6,629,551	5,626,607
Gain on disposal of intangible assets	(27,201,973)	(14,068,555)
Profit on sale of land (Note 3)	(13,660,606)	-
Tax Paid	703	295
Finance costs	170,888	185,636
Finance income	(1,045,438)	(740,521)
	<u>(10,238,194)</u>	<u>(12,179,314)</u>
Decrease/(increase) in stocks	66,695	(133,611)
Increase in trade and other debtors	(4,012,295)	(1,916,696)
Increase in trade and other creditors	5,193,075	2,800,949
	<u>5,193,075</u>	<u>2,800,949</u>
Cash generated from operations	<u>(8,990,719)</u>	<u>(11,428,672)</u>

2. **Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2019

	30/6/19	1/7/18
	£	£
Cash and cash equivalents	<u>2,164,135</u>	<u>1,059,523</u>

Year ended 30 June 2018

	30/6/18	1/7/17
	£	£
Cash and cash equivalents	<u>1,059,523</u>	<u>1,321,867</u>

The notes form part of these financial statements

Brentford FC Ltd

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2019**

1. Accounting policies

Basis of preparing the financial statements

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 2019 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, 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 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 fallen out of favour with senior football management.

(b) Onerous contracts

Management reviews all contracts, including those of the players, and determine whether the minimum 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.

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2019

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 management reasonably expect the player to remain at the club.

Revenue

Turnover comprises revenue recognised by the company and group 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 in line with home matches played. Sponsorship and similar commercial income is recognised over the duration and in accordance with the terms of the respective contracts. Facility fees for live television coverage of games are recognised when earned.

Income from matchday activity, memberships, media and commercial contracts which have been received prior to the year end in respect of future football seasons (including in relation to the community stadium) 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 operating 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 confirmed his willingness and ability to support the company by providing adequate loan facilities and future equity investment, where required, 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. It is noted that whilst the majority owner's continuing support is not legally binding, the board has concluded that the risk that ongoing support will not be forthcoming does not represent a material uncertainty giving rise to significant doubt over the Company's ability to continue as a going concern.

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

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events for which an outflow of resources is more than likely to settle the obligation and the amount can be reliably estimated.

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.

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2019

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

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 company's freehold land and buildings at Griffin Park were last valued on a standalone basis 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.

During the year, the company and its wider group signed an amended and restated Development Agreement that has given rise to a further revaluation of Griffin Park. See note 12.

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, to the extent incurred by the group and company, have been included in tangible fixed assets as an asset in the course of construction. No depreciation is charged as the development is not complete.

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 turving 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 tangible fixed assets comparing the carrying value to their recoverable amounts. Where necessary, provision has been made to reduce the value of such fixed assets to their recoverable amounts.

Valuation of investments

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

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2019

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stocks. The stock held as land comprises cost of purchase as well as associated legal fees, stamp duty and other development costs.

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.

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 benefit 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.

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

Financial instruments

The group's financial instruments comprise its trade, other and player debtors, cash, loans and overdrafts, trade, other and player creditors and accruals. Short term balances are initially recognised and measured at the transaction price and subsequently at amortised cost whereas amounts due to creditors or due from debtors after more than one year are measured using the effective interest method. This applies to the group's player debtors and creditors as well as certain shareholder loans.

2. Turnover

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Analysis by class of business:		
League & FA	8,204,324	6,826,486
Ticketing	3,403,813	3,099,544
Commercial	1,487,988	1,231,257
Retail	387,361	438,498
Catering	480,593	447,652
Other Football Income (inc televised games)	622,720	376,165
Media and Membership	97,713	83,032
Other income	565,473	127,090
	<u>15,249,985</u>	<u>12,629,724</u>

Turnover arises solely within the United Kingdom.

3. Other operating income

	30/6/19 £	30/6/18 £
Profit on sale of land	13,660,618	-
Loan Player Income	2,645,578	112,439
Other	5,187	242,683
	<u>16,311,383</u>	<u>355,122</u>

Loan player income is shown net of a loan fee of £537,500.

The profit on sale of land represents the proceeds received or receivable to date of £49.5m attributable to the net costs of disposed land of £35.8m. This accounting profit relates to the transfer of certain parcels of land to the Developer to enable them to build our new stadium. The remainder of the transaction will be effected over future accounting periods and will be based on the value of the new stadium received against relevant attributable land values as disclosed in notes 12 and 21.

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

4. Employees and directors

	30/6/19	30/6/18
	£	£
Wages and salaries	16,722,950	16,055,990
Social security costs	2,052,282	1,898,212
Other pension costs	92,171	46,179
	<u>18,867,403</u>	<u>18,000,381</u>

The average number of employees during the year was as follows:

	30/6/19	30/6/18
Administration and Commercial Staff	52	40
Player and training staff	85	79
	<u>137</u>	<u>119</u>

Directors of the group received £487,068 in emoluments during the current year (2018: £97,916). The highest paid director received £183,588 in the year. Within these amounts are payments to Smartodds Limited, a related party, for the services of individuals who are directors of the company, of which more details are included in note 24.

Amounts totalling £2,725 were paid to the group's defined contribution pension scheme relating to directors during the year (2018: £749).

There are no key management personnel who are not also directors who received remuneration in the current or prior year.

5. Operating loss before player trading

The operating loss is stated after charging:

	30/6/19	30/6/18
	£	£
Other operating leases	365,108	203,976
Depreciation - owned assets	565,675	677,680
Player Registrations amortisation	6,629,551	5,626,607
Auditor's remuneration of these financial statements	40,042	32,953
Tax Services	14,982	16,492
	<u>14,982</u>	<u>16,492</u>

6. Gain on disposal of players' registrations

	30/6/19	30/6/18
	£	£
Gain on disposal of players' registrations	<u>27,201,973</u>	<u>14,068,555</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

7. Interest receivable and similar income

	30/6/19 £	30/6/18 £
Unwinding of discount on player debtors	1,035,389	740,521
Interest on factoring	10,049	-
	<u>1,045,438</u>	<u>740,521</u>

8. Interest payable and similar expenses

	30/6/19 £	30/6/18 £
Other Interest payable	29,514	57,574
Loan interest	-	29,098
Unwinding of discount on player creditors	141,374	98,964
	<u>170,888</u>	<u>185,636</u>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

9. Taxation

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

The deferred tax and therefore total tax, assessed for the year differs from the standard rate of corporation tax in the UK applied to the profit/(loss) before tax. The differences are explained below.

	30/06/19 £	30/06/18 £
Profit/(Loss) on ordinary activities before tax	24,303,006	(3,860,456)
Profit/(Loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	4,617,571	(733,487)
Effect of:		
Fixed asset differences	682,941	523,737
Expenses not deductible for tax purposes	36,751	-
Other tax adjustments, reliefs and transfers	(56,861)	-
Capital gains/(losses)	342,000	-
Adjustments in respect of prior periods	109	-
Adjust deferred tax to average rate (Utilisation)/Generation of tax losses for which no deferred tax is recognised	(902,369)	-
	(448,860)	209,455
Total tax charge for the year	4,271,282	295

The group has unrelieved losses at 30 June 2019 of approximately £52.6m (2018: £57.9m) which are available to be carried forward and offset against future trading profits. A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of the availability of future trading profits.

10. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

11. Intangible fixed assets

Group

	Player Registrations £
Cost	
At 1 July 2018	24,021,444
Additions	9,580,860
Disposals	(4,225,630)
	29,376,674
At 30 June 2019	29,376,674
Amortisation	
At 1 July 2018	10,331,335
Amortisation for year	6,629,551
Eliminated on disposal	(2,904,471)
	14,056,415
At 30 June 2019	14,056,415
Net book value	
At 30 June 2019	15,320,259
At 30 June 2018	13,690,109

Company

	Player Registrations £
Cost	
At 1 July 2018	24,021,444
Additions	9,580,860
Disposals	(4,225,630)
	29,376,674
At 30 June 2019	29,376,674
Amortisation	
At 1 July 2018	10,331,335
Amortisation for year	6,629,551
Eliminated on disposal	(2,904,471)
	14,056,415
At 30 June 2019	14,056,415
Net book value	
At 30 June 2019	15,320,259
At 30 June 2018	13,690,109

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

12. Tangible fixed assets

Group

	Freehold Land £	Leasehold Property £	Pitch & Drainage £
Cost or valuation			
At 1 July 2018	18,718,638	1,889,525	854,082
Revaluations	17,100,000	-	-
At 30 June 2019	<u>35,818,638</u>	<u>1,889,525</u>	<u>854,082</u>
Depreciation			
At 1 July 2018	-	1,889,525	468,208
Charge for year	-	-	164,019
Eliminated on disposal	-	-	-
At 30 June 2019	<u>-</u>	<u>1,889,525</u>	<u>632,227</u>
Net book value			
At 30 June 2019	<u>35,818,638</u>	<u>-</u>	<u>221,855</u>
At 30 June 2018	<u>18,718,638</u>	<u>-</u>	<u>385,874</u>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

12. Tangible fixed assets - continued

Group

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Cost or valuation				
At 1 July 2018	2,447,537	743,812	12,708,926	37,362,520
Additions	220,783	99,903	1,689,355	2,010,041
Disposals	(2,155)	(1,552)	-	(3,707)
Grants	-	1,552	-	1,552
Revaluations	-	-	-	17,100,000
Transfer from subsidiary	-	-	408,407	408,407
Reclassification/transfer	-	-	(408,407)	(408,407)
	<u>2,666,165</u>	<u>843,715</u>	<u>14,398,281</u>	<u>56,470,406</u>
Depreciation				
At 1 July 2018	1,839,938	592,459	-	4,790,130
Charge for year	327,825	73,831	-	565,675
Eliminated on disposal	(2,155)	-	-	(2,155)
	<u>2,165,608</u>	<u>666,290</u>	<u>-</u>	<u>5,353,650</u>
Net book value				
At 30 June 2019	<u>500,557</u>	<u>177,425</u>	<u>14,398,281</u>	<u>51,116,756</u>
At 30 June 2018	<u>607,599</u>	<u>151,353</u>	<u>12,708,826</u>	<u>32,572,390</u>

The freehold property, the stadium at Griffin Park, remains included as a tangible fixed asset for the remainder of its useful life to the club as a football stadium, whereupon it will be disposed of to a third party developer under the agreements entered into.

This freehold property owned by the company has been revalued to its disposal proceeds under an amended and re-stated Development Agreement ("DA") with a third-party developer for a new stadium. The DA has been entered into through Lionel Road Developments Ltd, a subsidiary of the company. The agreement incorporates the transfer of various plots of land to the Developer by the Group, of which Brentford FC Limited is the parent undertaking, including the company's existing stadium at Griffin Park. The value ascribed to Griffin Park in the DA is £35.7m and has given rise to a current year deferred tax charge on the valuation uplift of £2.9m. The expected timing of the handover is Q2 of 2020.

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

12. Tangible fixed assets - continued

Group

Cost or valuation at 30 June 2019 is represented by:

	Freehold Land £	Leasehold Property £	Pitch & Drainage £
Valuation in 2018	16,277,786	-	-
Valuation in 2019	17,100,000	-	-
Cost	2,440,852	1,889,525	854,082
	<u>35,818,638</u>	<u>1,889,525</u>	<u>854,082</u>

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Valuation in 2018	-	-	-	16,277,786
Valuation in 2019	-	-	-	17,100,000
Cost	2,666,165	843,715	14,398,281	23,092,620
	<u>2,666,165</u>	<u>843,715</u>	<u>14,398,281</u>	<u>56,470,406</u>

Company

	Freehold Land £	Leasehold Property £	Pitch & Drainage £
Cost or valuation			
At 1 July 2018	18,600,000	1,889,525	854,082
Revaluations	17,100,000	-	-
At 30 June 2019	<u>35,700,000</u>	<u>1,889,525</u>	<u>854,082</u>
Depreciation			
At 1 July 2018	-	1,889,525	468,208
Charge for year	-	-	164,019
At 30 June 2019	-	<u>1,889,525</u>	<u>632,227</u>
Net book value			
At 30 June 2019	<u>35,700,000</u>	-	<u>221,855</u>
At 30 June 2018	<u>18,600,000</u>	-	<u>385,874</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

12. Tangible fixed assets - continued

Company

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Cost or valuation				
At 1 July 2018	2,443,922	741,618	24,955	24,554,102
Additions	220,783	99,903	139,416	460,102
Revaluations	-	-	-	17,100,000
Transfer from subsidiary	-	-	402,146	402,146
	<u>2,664,705</u>	<u>841,521</u>	<u>566,517</u>	<u>42,516,350</u>
At 30 June 2019	2,664,705	841,521	566,517	42,516,350
Depreciation				
At 1 July 2018	1,836,766	590,791	-	4,785,290
Charge for year	327,260	73,324	-	564,603
	<u>2,164,026</u>	<u>664,115</u>	<u>-</u>	<u>5,349,893</u>
At 30 June 2019	2,164,026	664,115	-	5,349,893
Net book value				
At 30 June 2019	<u>500,679</u>	<u>177,406</u>	<u>566,517</u>	<u>37,166,457</u>
At 30 June 2018	<u>607,156</u>	<u>150,827</u>	<u>24,955</u>	<u>19,768,812</u>

Cost or valuation at 30 June 2019 is represented by:

	Freehold Land £	Leasehold Property £	Pitch & Drainage £
Valuation in 2018	16,277,786	-	-
Valuation in 2019	17,100,000	-	-
Cost	<u>2,322,214</u>	<u>1,889,525</u>	<u>854,082</u>
	<u>35,700,000</u>	<u>1,889,525</u>	<u>854,082</u>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

12. Tangible fixed assets - continued

Company

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Valuation in 2018	-	-	-	16,277,786
Valuation in 2019	-	-	-	17,100,000
Cost	2,664,705	841,521	566,517	9,138,564
	<u>2,664,705</u>	<u>841,521</u>	<u>566,517</u>	<u>42,516,350</u>

13. Fixed asset investments

Company

	Group undertakings £	Loans £	Total £
Cost or Valuation			
At 1st July 2018	52,604	464,448	517,052
Write off in year	-	(464,448)	(464,448)
At 30th June 2019	<u>52,604</u>	<u>-</u>	<u>52,604</u>

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
Subsidiary Undertakings			
Brentford FC (Lionel Road) Limited	England	Ordinary	99%
Lionel Road Developments Limited	England	Ordinary	100%
Lionel Road Coalyard Limited	England	Ordinary	100%

The registered address of all subsidiary undertakings is Griffin Park, Braemar Road, TW8 0NT.

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

14. Stocks

	Group		Company	
	30/6/19	30/6/18	30/6/19	30/6/18
	£	£	£	£
Stock	138,044	231,141	138,044	231,141
Land held for sale / transfer	-	31,126,255	-	-
Stock Provision	(12,263)	(38,665)	(12,263)	(38,665)
	<u>125,781</u>	<u>31,318,731</u>	<u>125,781</u>	<u>192,476</u>

15. Debtors

	Group		Company	
	30/6/19	30/6/18	30/6/19	30/6/18
	£	£	£	£
Amounts falling due within one year:				
Trade Debtors	2,637	714,718	2,637	698,934
Player Debtors	12,940,123	8,697,228	12,940,123	8,697,228
Amounts owed by group undertakings	-	-	1,740,556	-
Other debtors	5,574,433	292,375	518,283	28,607
Prepayments and accrued income	26,489,988	787,142	2,689,988	791,503
	<u>45,007,181</u>	<u>10,491,463</u>	<u>17,891,587</u>	<u>10,216,272</u>
Amounts falling due after more than one year:				
Player Debtors	<u>8,673,800</u>	<u>1,783,890</u>	<u>8,673,800</u>	<u>1,783,890</u>
Aggregate amounts	<u>53,680,981</u>	<u>12,275,353</u>	<u>26,565,387</u>	<u>12,000,162</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

16. Creditors: amounts falling due within one year

	Group		Company	
	30/6/19	30/6/18	30/6/19	30/6/18
	£	£	£	£
Shareholder loans (see note 18)	19,628,302	35,820,242	-	2,240,954
Trade Creditors	1,308,721	1,639,638	568,260	473,195
Player Creditors	4,642,958	2,706,838	4,642,958	2,706,838
Taxation and social security	833,814	704,709	832,842	872,544
Other creditors	597,231	703,779	597,231	703,774
Progress payments received	-	2,500,000	-	-
Deferred Income	2,490,866	2,174,638	2,490,866	2,174,637
Accrued expenses	9,375,584	2,746,864	3,731,633	1,631,452
	<u>38,877,476</u>	<u>48,996,708</u>	<u>12,863,790</u>	<u>10,803,394</u>

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

	Group	Group	Company	Company
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	£	£	£	£
Shareholder's loans (secured)	37,293,299	35,187,418	37,293,299	35,187,418
Player creditors	1,188,042	-	1,188,042	-
	<u>38,481,341</u>	<u>35,187,418</u>	<u>38,481,341</u>	<u>35,187,418</u>

All loans falling due after more than one year will become repayable after a continually-rolling notice period of 367 days, if called. The capital contribution of £263,235 (2018: £999,137) included as a change in equity arises as an effect of discounting the shareholder loans advanced to Brentford FC during the year at a rate of 12.5% over the rolling 367 day term. The undiscounted loan balance as at 30 June 2019 amounts to £41,954,961 (2018: £39,585,846).

18. Shareholder loans

Other Shareholder loans are interest free and secured by legal charges and debentures over the group's assets. The decrease in the group's other loans is a result of a partial shareholder repayment made by Lionel Road Developments Ltd (see note 16).

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

19. Provisions for liabilities

Group:

	2019		
	Deferred tax £	Other £	Total £
At 1 July 2018	2,767,224	4,228,128	6,995,352
Reclassification to accruals	-	(4,228,128)	(4,228,128)
Provision charged to other comprehensive income	2,907,000	-	2,907,000
Provision charged to profit and loss	4,265,733	884,511	5,150,284
At 30 June 2019	<u>9,939,997</u>	<u>884,511</u>	<u>10,824,508</u>

	2018		
	Deferred tax £	Other £	Total £
At 1 July 2017	2,767,224	-	2,767,224
Provision charged to profit and loss	-	4,228,128	4,228,128
At 30 June 2018	<u>2,767,224</u>	<u>4,228,128</u>	<u>6,995,352</u>

Company:

	2019		
	Deferred tax £	Other £	Total £
At 1 July 2018	2,767,224	-	2,767,224
Provision charged to other comprehensive income	2,907,000	-	2,907,000
Provision charged to profit and loss	4,265,773	884,511	5,150,284
At 30 June 2019	<u>9,939,997</u>	<u>884,511</u>	<u>10,824,508</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

	2018	
	Deferred tax £	Total £
At 1 July 2017	2,767,224	2,767,224
Provision	-	-
At 30 June 2018	<u>2,767,224</u>	<u>2,767,224</u>

In the period the group has reclassified £4,228,128 from provisions to accruals. In addition the group has a provision relating to deferred tax totalling £9,945,506. The group has also recognised provisions of £884,511 related to a probable obligation for early termination of lease contracts pertaining to assets used at Griffin Park.

A deferred tax liability of £5,674,224 (2018: £2,767,224) 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 £35,700,000. This may not crystallize as a result of rollover relief which is expected to be available.

A deferred tax liability of £4,248,038 (2018: £0) relates to profits on disposal of player registrations that have been carried forward in anticipation of future roll-over relief claims. Should reinvestment in qualifying assets (players) not be made within the available time frames, corporation tax in proportion to the reinvestment shortfall will crystallise. Whilst these gains would be sheltered by brought forward trading losses, previously claimed group relief by Lionel Road Developments, may reverse and tax on profits of up to £13 million (equating to tax of £2.47m at the prevailing 19% rate) may arise.

20. Called up share capital

Allotted, issued and fully paid:		Nominal	30/6/19	30/6/18
Number:	Class:	value:	£	£
557,281	Ordinary shares	£25.00	13,932,025	13,932,025
24,554,608	Preference shares	£1.00	24,554,608	24,554,608
1	BU Special share	£0.01	-	-
			<u>38,486,633</u>	<u>38,486,633</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2019

20. Called up share capital - continued

Preference Shares have no voting rights attached 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 any successor stadium owned by the Company at which Brentford FC first team plays its home league matches. The 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.

21. Contingent assets and liabilities

The group has 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 £2,324,750 (2018: £3,484,750).

The group anticipates that it may incur additional land costs, over and above accrued amounts, associated with the purchase of land known as Capital Court. There is some uncertainty as to the quantum of the amount that may become payable as this is subject to further negotiation or will be determined by a tribunal hearing.

Consideration is also receivable contingent on certain development overage outcomes which, whilst assessed as probable to crystallise, cannot be assessed as virtually certain at the year end nor reliably measured on the basis that the related development and sales activity is at an embryonic stage as at the Balance Sheet date.

22. Commitments under operating leases

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

	30 June 2019 £	30 June 2018 £
Not later than 1 year	365,108	400,524
Later than 1 year and not later than 5 years	642,473	928,167
	<u>1,007,581</u>	<u>1,328,691</u>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

23. Other financial commitments

As at the year end, the group has a contracted commitment of £1.1m to complete the stadium.

24. 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, M Chapman and S Purvis.

Bees United has made interest free loans totalling £679,911 (2018: £679,911) to the company at the year end of which £402,000 (2018: £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 £8,166 (2018: £7,711) is owed to Bees United which is unsecured.

Mr M Benham, who is the controlling party of the company, is a majority shareholder of Smartodds Limited from which the group made purchases of £1,153,616 (2018: £659,094). This pertained to services provided by Smartodds Ltd and individuals who are directors of the company or of its subsidiaries. All transactions were conducted on an arm's length basis on normal trading terms. At 30 June 2019, there was an outstanding balance of £438 (2018: £564).

Mr M Benham has made loans to Brentford FC Ltd and Lionel Road Developments Ltd of £61,583,263 (2018: £73,165,134). 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.

During the year, the company has paid £38,114 (2018: £10,620) to Career Path Training Ltd for professional services, a company which M Choudhuri is materially interested as a director and shareholder.

Other transactions with and in respect of key management personnel

Subsidiary undertakings of the company paid £0 (2018: £27,819) for professional services to Briburg Ltd, a company in which B Burgess is materially interested as a shareholder and while he was a director of the subsidiary undertakings during the year.

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

25. Deferred taxation

	30 June 2019 £	30 June 2018 £
Unrecognised deferred tax assets		
Depreciation in advance of capital allowances	359,966	1,143,879
Tax losses	8,954,246	9,765,000
	<u>9,314,212</u>	<u>10,908,879</u>

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 are not considered probable.