

Brighton & Hove Albion Holdings Limited

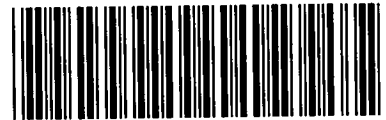
Report and Financial Statements

Year Ended

30 June 2019

Company Number 02849319

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Brighton & Hove Albion Holdings Limited

Report and financial statements
for the year ended 30 June 2019

Contents

Page:

3	Chairman's statement
5	Strategic report
8	Directors' report
10	Director's responsibilities statement
11	Independent auditor's report
14	Consolidated statement of comprehensive income
15	Consolidated statement of financial position
16	Consolidated statement of changes in equity
17	Consolidated statement of cash flows
18	Company statement of financial position
19	Company statement of changes in equity
20	Notes forming part of the financial statements

Directors

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

Secretary and registered office

R F Comer, American Express Community Stadium, Village Way, Brighton, BN1 9BL

Company number

02849319

Auditors

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

Brighton & Hove Albion Holdings Limited

Chairman's statement for the year ended 30 June 2019

These accounts relate to our second season in the Premier League, which really was a season of two very different halves. After significant investment during the summer transfer window, we had an excellent first half of the season. We again triumphed over Manchester United at the Amex, and, for the first time, we recorded three consecutive wins in the Premier League — a sequence which also saw Glenn Murray score his 100th goal for the club.

Going into Christmas, back-to-back wins over Huddersfield Town and Crystal Palace, on a memorable December night at the Amex, were followed by a Boxing Day draw with Arsenal, and victory over Everton in our last match of 2018. That put us in an excellent league position going into the New Year. Unfortunately, our league form dipped quite considerably in the second half of the season, and our Premier League survival was assured only two games before the season's end. Despite our poor league form in the second half of the season, we embarked on a memorable FA Cup run and, although we eventually lost to Manchester City in the semi-final, that day at Wembley was another memorable occasion for the club.

Over his four-and-a-half years as manager, Chris Hughton did an exceptional job, of that there is no question. However, as the season ended, I felt it was the right time for a change in leadership for our senior men's team. That is never easy with a good man, and a good manager, and Chris is both of those. Ultimately I took the decision as I felt we needed a new direction and a new style - building on the excellent foundation Chris' tenure provided, having taken us from the lower reaches of the Championship into the Premier League.

With Dan Ashworth firmly in place as the club's technical director following his arrival from The Football Association in February, we appointed Graham Potter as head coach, supported by his backroom team — Billy Reid, Bjorn Hamburg and Kyle Macaulay. The group - who had worked together at both Swansea City and Ostersunds - were joined on the first-team staff by club legend Bruno, who announced his playing retirement at the end of last season, and our existing goalkeeping coach Ben Roberts. The early signs this season have been encouraging, with some impressive performances.

We were delighted that our women's team retained their Women's Super League status in their first full season at the top level, and this summer we invested further in the squad, under Hope Powell's leadership, with the aim of continuing our development and progress this season.

The club has also made a significant investment off the pitch, with work beginning on a £25 million training ground improvement, which includes a separate women and girls' hub at the American Express Elite Football Performance Centre ensuring that all players will enjoy the same state-of-the-art facilities.

Our continued Premier League status is really important in helping us establish a longer term stronger financial footing. It also boosts our national and international profile, and recently we published a detailed economic and social impact report outlining the club's contribution to the local community. It made fascinating reading and showed that the club's contribution annually to the local economy is now £212 million, with £54 million going into the exchequer. We are responsible, directly or indirectly, for 2,200 jobs, with more than 90% of those people living locally in the Sussex area. The American Express Community Stadium hosted more than 100,000 people at non-matchday events; and spending in the local area by home and away fans added more than £8.5 million annually to the local visitor economy. These are truly excellent figures for our city.

A busy close season also saw us reach a new long-term agreement with American Express, extending our partnership to be one of the most successful and enduring in world sport. American Express has been a tremendous supporter of our club for a long time now, and our new deal takes their commitment to an entirely new financial level. We are thrilled that one of the world's top companies will continue to partner with us, and we look forward to helping American Express meet its local and international objectives for many years to come.

Community and Supporters

Our fan base is growing faster than ever at home and abroad, with our global audience hitting an astonishing 150 million people around the world in our second full season in the Premier League. Notwithstanding our growing international presence, we also remain entirely committed to our local community, not least through our multi award-winning charitable arm Albion in the Community (AITC).

Brighton & Hove Albion Holdings Limited

Chairman's statement for the year ended 30 June 2019 (*continued*)

The Economic and Social Impact Survey showed that AITC's work across Sussex has had a hugely positive impact on the local community valued at more than £28 million a year - making AITC one of the biggest charities in the south-east of England. Using the popularity of football and Brighton & Hove Albion, AITC engages more than 43,000 people each year, focusing largely on getting people active, helping them lead healthier lives, and raising aspirations and academic achievement.

AITC chairman Martin Perry and his team deserve huge credit for their achievements, and we are also grateful to the players and club staff for their enthusiastic support of AITC's endeavours.

Martin, who has announced he will step down from the club's board in September 2020, will continue to chair AITC and take up the role of honorary vice president of the club. His achievements for our club, and community, are well known, and on behalf of all Albion fans, I would like to say well done and thanks to Martin. This club would not be where it is today without the 20-year-plus commitment Martin has made.

I would also like to take this opportunity to thank our board of directors for their support - the majority give the club their time and expertise without charge. Our chief executive Paul Barber, now in his eighth season with our club, was promoted to the role of deputy chairman last season, and he continues to do a superb job, leading the club and overseeing our progress, success and growth, both on and off the pitch. I also thank the players and staff across all areas of the club. We are extremely fortunate to have such a committed, talented and professional team, working together to drive our club forward to a bright future.

Looking ahead

During the summer, we outlined a new vision for the club. For myself, Paul, and the board of directors, we believe it is essential that we continue to challenge ourselves and those around us, to ensure we keep moving forward with purpose and ambition. ~~The last couple of years have been about stabilising, ensuring our survival, and doing everything we can to stay in the Premier League.~~ Our new vision - to be a top-ten club in the Premier League, and a top-four club in the Women's Super League - is designed to set our sights higher than just survival in the top leagues (however important this is). We have not put a timescale on it, and we are under no illusions this is a tough goal we are setting ourselves, but we are up for the fight.

We have a great team of people all around the club, great support from our fans, from our commercial partners, and from the wider community. Our new vision is not a target for this season or even a specific point in time. Just like our aim to be a Premier League club when we opened the Amex on promotion from League One, our new vision is a long-term aspiration, and is intended to inspire our club to even greater achievements.

Tony Bloom,
Chairman

Date: 29th November 2019

Brighton & Hove Albion Holdings Limited

Strategic report for the year ended 30 June 2019

Introduction

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

Business review

	2019 £'000	2018 £'000
Turnover	143,397	139,432
Administrative and operational costs	(20,505)	(17,920)
Operating profit before football costs and depreciation	122,892	121,512
Depreciation	(5,891)	(5,265)
Investment property impairment	-	(1,874)
Player trading	(28,021)	(15,944)
Football costs	(108,400)	(85,329)
Operating (loss)/profit before interest and taxation	(19,420)	13,100

Financial highlights

- Turnover increase: 2.84%
- Admin and operational cost increase: 14.43%
- Operating profit before football costs and depreciation increase: 1.14%
- Increase in player trading costs: 75.75%
- Investment in football costs increased by 27.04%
- Operating profit of £13.1m has become operating loss of £19.4m

The financial results for the year ended 30 June 2019 reflect the second season in which Brighton & Hove Albion Football Club competed in the Premier League, this time finishing in 17th position. The increase in turnover is primarily due to additional broadcasting income that has been earned in the 2018/19 season, but also due to sell-out crowds and improved commercial revenues. The cost base has increased significantly, following the further strengthening of the playing squad and the increased player and staff wages required to be competitive in the Premier League. This has resulted in the company reporting a loss before interest and tax of £19.4m compared to a profit of £13.1m in the prior period.

Brighton & Hove Albion Holdings Limited

Strategic report for the year ended 30 June 2019 (continued)

Financial highlights (continued)

The key financial highlights are as follows:

- **Turnover**
Average match day attendances remained stable, averaging 30,426 compared to 30,403 in the previous season, which resulted in static matchday income of £18.5m. Broadcasting income increased from £110.3m to £113.5m. The increase is largely attributable to additional overseas revenues distributed by the Premier League, as well as income generated from the Club's successful run to the FA cup semi-final. Commercial income increased from £8.8m to £9.6m.
- **Administrative and Operational Costs**
The cost increase is partly linked to the increase in turnover, but also due to higher stadium maintenance, security and staff salary costs, together with an increased investment in women's and girls football.
- **Player Trading**
This represents the amortisation of purchased player registrations less the profit on sale of players. Player amortisation has increased from £19.3m to £33.2m. New players were added to the squad at a gross cost of £80.9m (£77.9m at discounted value as required under UK accounting standards). Profit on player disposals increased from £3.4m to £5.2m.
- **Football costs**
Football costs, which include all costs associated with the running of the first team, development squad and youth academy, increased from £85.3m to £108.4m. This increase is primarily due to an increase in player and coaching staff wages, but also a continued investment in the youth academy and facilities at the training ground, as well as a change in management at the end of the season.
- **Balance Sheet**
Whilst the Balance Sheet is showing a net liabilities position, funding for the group continues to be provided by its Chairman, Tony Bloom, by way of interest free loans and equity conversion.

The cost of purchased players, net of appropriate discounting on acquisition and less amortisation, are recorded in the accounts at £100.8m at the year end. This doesn't however reflect home grown players or the current market value of the playing squad, which in the opinion of the Board is considerably higher.

Included in stock is the land for development at New Monks Farm adjoining our training ground, and is recorded in the accounts at a cost of £17.6m. After gaining successful planning permission at this site for housing and retail development, construction work is commencing in 2019.

Profit and Sustainability Rules

The Premier League operates profitability and sustainability rules. Under the rules adjusted losses of £105m over a three year period are allowable. The operating profit or loss is adjusted for depreciation and allowable expenditure such as our investment in our Category 1 academy. The Club has complied with all of the Premier League's Rules for the 2018/19 season.

Brighton & Hove Albion Holdings Limited

Strategic report
for the year ended 30 June 2019 *(continued)*

Sponsors

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

Supporters and Staff

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

Future developments

Retention of the Club's Premier League status remains the primary objective, but as set out in the Chairman's Statement the club's vision is to be a top-ten club in the Premier League, and a top-four club in the Women's Super League.

Principal risks

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

Whilst the full impact of the UK exit from the European Union is unknown, there is a risk that it could result in some instability with regard to the freedom of movement of footballers and other staff. In addition to this, whilst no specific contracts or agreements have been identified that would have a material impact on the group in the short to medium-term, a disorderly Brexit could impact on the wider economy and on consumer spending, which could have a direct impact on match-day revenue and an indirect impact on future centrally negotiated media rights.

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



D A Jones
Director

Date: 29th November 2019

Brighton & Hove Albion Holdings Limited

Directors' report for the year ended 30 June 2019

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

Results and dividends

The loss for the year, after taxation, amounted to £21,199,000 (2018 – profit of £11,276,000).

The directors are unable to recommend the payment of a dividend (2018 - £Nil)

Directors

The directors who served during the year were:

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

Employee involvement

Within the bounds of commercial confidentiality, the club endeavours to keep staff at all levels informed of matters that affect the progress of the Group and are of interest to them as employees.

Equality & Safeguarding

The club is committed to equality of opportunity for all staff and applications for employment or promotion from individuals both internally and externally are encouraged regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships.

The club complies with all applicable employment laws relating to working terms and conditions, including pay (the club pays the voluntary living wage). The club have successfully attained the preliminary level of the Premier League Equality Standard and we are now working towards the intermediate level of the standard.

The club is fully committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expect all staff and volunteers to share this commitment.

Matters covered in the strategic report

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

Brighton & Hove Albion Holdings Limited

Directors' report for the year ended 30 June 2019 (*continued*)

Post balance sheet events

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

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 and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

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



R F Comer
Director

Date: 29th November 2019

Brighton & Hove Albion Holdings Limited

Director's responsibilities statement for the year ended 30 June 2019

The directors are responsible for preparing the directors' 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 of the profit or loss of the company for that year.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Brighton & Hove Albion Holdings Limited

Independent auditor's report

TO MEMBERS OF BRIGHTON & HOVE ALBION HOLDINGS LIMITED

Opinion

We have audited the financial statements of Brighton & Hove Albion Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows 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's affairs as at 30 June 2019 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.

Brighton & Hove Albion Holdings Limited

Independent auditor's report (*continued*)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report 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 Director's report.

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.

Brighton & Hove Albion Holdings Limited

Independent auditor's report (*continued*)

Responsibilities of Directors

As explained more fully in the Director's responsibilities statement, 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.

Auditor's 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 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.

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 Parent 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 Parent Company and the Parent 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, statutory auditor
London
United Kingdom*

Date: 29th November 2019

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

Brighton & Hove Albion Holdings Limited

Consolidated statement of comprehensive income for the year ended 30 June 2019

	Note	2019		2018	
		Operations excluding player trading £'000	Player trading £'000	Total £'000	Total £'000
Turnover	3	143,397	-	143,397	139,432
Operating expenses		(134,796)	(33,237)	(168,033)	(129,699)
Profit on player trading		-	5,216	5,216	3,367
Operating (loss)/profit before interest and taxation	5	8,601	(28,021)	(19,420)	13,100
Interest receivable and similar income	8	62	-	62	21
Interest payable and similar charges	9	(251)	(2,398)	(2,649)	(1,037)
(Loss)/profit before taxation		8,412	(30,419)	(22,007)	12,084
Tax on (loss)/profit	10	808	-	808	(808)
(Loss)/profit after taxation		9,220	(30,419)	(21,199)	11,276
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income for the year		9,220	(30,419)	(21,199)	11,276
(Loss)/profit for the year attributable to:					
Owners of the parent company		9,220	(30,419)	(21,199)	11,276

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 20 to 38 form part of these financial statements.

Brighton & Hove Albion Holdings Limited

Consolidated statement of financial position at 30 June 2019

Company number 02849319	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Intangible assets	11		100,822		58,960
Tangible assets	12		146,631		144,893
Investment property	14		160		160
			247,613		204,013
Current assets					
Stocks	15	18,172		17,800	
Debtors: amounts falling due within one year	16	18,421		17,095	
Cash at bank and in hand	17	706		8,969	
		37,299		43,864	
Creditors: amounts falling due within one year	18	(327,025)		(267,722)	
Net current liabilities			(289,726)		(223,858)
Total assets less current liabilities			(42,113)		(19,845)
Creditors: amounts falling due after more than one year	19		(10,394)		(11,463)
Provisions for liabilities					
Deferred taxation	21		(1,506)		(1,506)
Net liabilities			(54,013)		(32,814)
Capital and reserves					
Called up share capital	22		95,232		95,232
Profit and loss account	23		(149,245)		(128,046)
			(54,013)		(32,814)

The financial statements were approved by the Board of Directors and authorised for issue on 29th November 2019.



D A Jones
Director

The notes on pages 20 to 38 form part of these financial statements.

Brighton & Hove Albion Holdings Limited

Consolidated statement of changes in equity for the year ended 30 June 2019

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 30 June 2017	95,232	(139,322)	(44,090)
Comprehensive income for the year			
Profit for the year	-	11,276	11,276
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	11,276	11,276
At 30 June 2018	95,232	(128,046)	(32,814)
Comprehensive income for the year			
Loss for the year	-	(21,199)	(21,199)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(21,199)	(21,199)
At 30 June 2019	95,232	(149,245)	(54,013)

The notes on pages 20 to 38 form part of these financial statements.

Brighton & Hove Albion Holdings Limited

Consolidated statement of cash flows for the year ended 30 June 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
(Loss)/profit for the financial year	(21,199)	11,276
Adjustments for:		
Amortisation of intangible assets	33,238	19,311
Depreciation of tangible assets	5,891	5,265
Profit on disposal of intangible assets	(5,216)	(3,367)
Loss on disposal of tangible assets	7	67
Write off of investment properties	-	1,874
Tax on profit	(808)	808
(Increase) in stocks	(372)	(1,796)
Decrease/(increase) in debtors	2,541	(9,282)
(Decrease)/increase in creditors	(2,068)	19,102
Net interest payable	2,336	785
Corporation tax paid	(500)	-
	<hr/>	<hr/>
Net cash generated from operating activities	13,850	44,043
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of intangible fixed assets	(76,487)	(41,923)
Sale of intangible assets	4,617	700
Purchase of tangible fixed assets	(7,636)	(9,710)
Purchase of investment properties	-	(4)
Interest received	62	-
	<hr/>	<hr/>
Net cash from investing activities	(79,444)	(50,937)
	<hr/>	<hr/>
Cash flows from financing activities		
Loans from directors	49,000	32,032
	<hr/>	<hr/>
Net cash used in financing activities	49,000	32,032
	<hr/>	<hr/>
Net movement in cash and cash equivalents	(16,594)	25,138
Cash and cash equivalents at beginning of year	8,969	(16,169)
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Cash and cash equivalents at the end of year	(7,625)	8,969
	<hr/>	<hr/>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	706	8,969
Bank overdrafts	(8,331)	-
	<hr/>	<hr/>
	(7,625)	8,969
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The notes on pages 20 to 38 form part of these financial statements.

Brighton & Hove Albion Holdings Limited

Company statement of financial position at 30 June 2019

Company number 02849319	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments	13		366,701		317,701
Creditors: amounts falling due within one year	18	(271,725)		(222,725)	
Net current liabilities			(271,725)		(222,725)
Net assets			94,976		94,976
Capital and reserves					
Called up share capital	22		95,232		95,232
Profit and loss account	23		(256)		(256)
			94,976		94,976

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £nil (2018 - £Nil).

The financial statements were approved by the Board of Directors and authorised for issue on 29th November 2019.



D A Jones
Director

The notes on pages 20 to 38 form part of these financial statements.

Brighton & Hove Albion Holdings Limited

Company statement of changes in equity for the year ended 30 June 2019

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2017	95,232	(256)	94,976
Comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Contributions by owners			
Shares issued during the year	-	-	-
Total transactions with owners	-	-	-
At 30 June 2018	95,232	(256)	94,976
Comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Contributions by owners			
Shares issued during the year	-	-	-
Total transactions with owners	-	-	-
At 30 June 2019	95,232	(256)	94,976

The notes on pages 20 to 38 form part of these financial statements.

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements for the year ended 30 June 2019

1 Accounting policies

Brighton & Hove Albion Holdings Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. 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.

These financial statements are presented in Pounds Sterling as this is the currency of the primary economic environment in which the Group operates and is rounded to the nearest thousand pounds.

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.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

Going concern

For the year ended 30 June 2019 the group made a loss after tax of £21,199,000, and has net current liabilities of £289,726,000 and net liabilities of £54,013,000. Excluding loans due to the Chairman of the Group, the Group had net current liabilities of £18,011,000. Management have assessed the ability of the Group to continue as a going concern, taking into account current and forecasted trading levels and cashflow requirements under reasonably foreseeable club performance scenarios, together with the fact that the Chairman has given a non-binding undertaking to not demand repayment of loans payable to him until such a time when the Group is in a position to do so. He has also undertaken to make further funds available to the Group should it be required. The directors have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Subsequent to the year end the Chairman has provided further capital to the Group in order to further develop the playing squad and the club infrastructure.

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

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements for the year ended 30 June 2019 (*continued*)

1 Accounting policies (*continued*)

Revenue

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

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

Sponsorship and similar commercial income is recognised over the duration of the respective contracts in line with goods and services provided.

Retail revenue and catering income is recognised at the point goods and services are delivered to the customer.

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

Premier League and central distribution revenue is recognised on an accruals basis in line with games played.

Intangible assets

Player registrations

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets, with cost discounted to present value, at an appropriate market rate for leveraged player receivables, where payments are deferred beyond 12 months of the acquisition date.

Costs of players' registrations comprise transfer fees and solidarity payments. Payments of transfer fees based on future performance criteria are recognised when the criteria are assessed as being probable that they will be met. In most cases this is when the condition has been met. Player registration costs are fully amortised in equal instalments over the period of the players' individual contracts. Where a player's contract is extended beyond its initial period, amortisation is calculated over the period of the extended contract from the date on which it is signed. All amortisation is recognised within operating expenses on the statement of comprehensive income. Players' registrations are written down for impairment in certain circumstances when the carrying amount is assessed as exceeding the amount recoverable through use or sale. See below for accounting policy relating to impairment.

The profit or loss on disposal of a player's registration is calculated as the difference between the present value of the transfer fee received less the net book value at the date of sale and less any direct costs of the transfer. Receipts of transfer fees based on the future performance of the transferred player or the buying club are recognised when the future criteria are met or are virtually certain to be met.

Impairment of player registrations

The carrying amounts of player registration costs, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements for the year ended 30 June 2019 (*continued*)

1 Accounting policies (*continued*)

The directors do not consider it possible to determine the value in use of an individual player in isolation, as individual players cannot generate cash flows independently. However, in circumstances where it is apparent that, as at the period end date, the player would not be available for selection to play for the Club, such as permanent injury or a firm intention to sell or loan the player (without further selection), the player is taken outside of the wider football club cash generating-unit ("CGU") and valued on a recoverable amount basis, being the directors' best estimate of the player's fair value less cost to sell. In the case of a permanent injury the recoverable amount is assessed with reference to insurance values. Any resulting impairment charge is made in operating expenses. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Where there is an impairment of a particular player's registration costs consideration is given to whether there is simultaneously an onerous contract arising. Where onerous contracts exists, a provision is recognised equal to the net cost of exiting from the contract.

Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

~~Land is not depreciated. Depreciation on other assets is charged from when the assets are brought in to use~~ so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

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 replacement part is derecognised. Repairs and maintenance are charged to profit and loss as incurred.

Depreciation is provided on the following basis:

Freehold buildings	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20 - 33% straight line
Office equipment	-	20 - 33% straight line
Assets under construction	-	not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

1 Accounting policies (continued)

Investment property

Investment property is carried at fair value. The fair value is determined with reference to recent market transactions of properties of similar size, use and location and other industry benchmarks.

Investment Properties which are under development are stated at cost.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Loans to subsidiaries that are not anticipated to be recovered in the short to medium term are presented as investments in the parent company statement of financial position.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements for the year ended 30 June 2019 (*continued*)

1 Accounting policies (*continued*)

Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Government and other grants

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

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

Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

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

Interest income

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

Borrowing costs

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

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

1 Accounting policies (continued)

Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Player remuneration

Signing on fees in respect of players contracts are expensed to the Statement of Comprehensive income over the term of their contracts. Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements. Bonuses and other short term benefits are recognised when services are rendered and there is a constructive or legal obligation to pay these

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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

Determine the fair value of the Investment Property. Management determines the fair value of investment property with reference to recent market transactions for similar assets. For properties under development or construction management evaluate future costs to complete and expected sales or rental returns to establish whether impairments are necessary.

3 Turnover

All turnover arose within the United Kingdom.

	2019 £'000	2018 £'000
Analysis of turnover - group		
Matchday	18,537	18,523
Broadcasting	113,492	110,272
Commercial	9,644	8,846
Other income	1,724	1,791
	<hr/> 143,397	<hr/> 139,432

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

4 Employees	2019	2018
	£'000	£'000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	89,195	68,325
Social security costs	12,085	8,972
Staff pension costs	292	270
	<hr/>	<hr/>
	101,572	77,567
	<hr/>	<hr/>
The average monthly number of employees, including directors, during the year was as follows:	Number	Number
Playing staff	107	91
Non-playing staff	899	868
	<hr/>	<hr/>
	1,006	959
	<hr/>	<hr/>
Included in non-playing staff are 551 (2018: 541) staff who are employed on a part-time basis.		
5 Operating profit	2019	2018
	£'000	£'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	5,891	5,265
Amortisation of intangible assets	33,238	19,311
Impairment of investment property	-	1,874
Defined contribution pension cost	292	270
Operating lease payments	219	65
Grants receivable	(40)	(40)
	<hr/>	<hr/>
6 Auditor's remuneration	2019	2018
	£'000	£'000
Fees payable to the Group's auditor for the audit of the Group's annual accounts	39	38
	<hr/>	<hr/>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	64	28
All other services	5	5
	<hr/>	<hr/>
	69	33
	<hr/>	<hr/>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

7 Directors' remuneration

	2019 £'000	2018 £'000
Directors' emoluments	1,904	1,822
Company contributions to defined contribution pension schemes	33	33
	<hr/>	<hr/>
	1,937	1,855
	<hr/>	<hr/>

During the year retirement benefits were accruing to 3 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,496,000 (2018 - £1,407,000). This remuneration included benefits related to retention and personal performance.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2018 - £Nil).

8 Interest receivable and similar income

	2019 £'000	2018 £'000
Bank interest receivable	62	21
	<hr/>	<hr/>

9 Interest payable and similar charges

	2019 £'000	2018 £'000
Unwinding of discount on transfer fees payable	2,398	786
Bank and credit card charges	251	251
	<hr/>	<hr/>
	2,649	1,037
	<hr/>	<hr/>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

10 Taxation

	2019 £'000	2018 £'000
Taxation on (loss)/profit on ordinary activities	(808)	808

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019 £'000	2018 £'000
(Loss)/profit on ordinary activities before tax	(22,007)	12,084
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(4,181)	2,296
Effects of:		
Expenses not deductible for tax purposes	587	927
Adjustments in respect of prior periods – current tax	(808)	
Group relief (claimed)	-	(5)
Deferred tax not recognised	3,031	(651)
Utilisation of losses brought forward	-	(1,759)
Unrelieved tax losses carried forward	-	-
Losses carried back	563	-
Total tax (credit)/charge for the year	(808)	808

Factors that may affect future tax charges

At 30 June 2019, the group had approximately £160,116,000 (2018 - £146,000,000) of trading losses to carry forward.

The group has a potential deferred tax asset of £23,649,000 (2018 - £24,820,000) calculated at the tax rate of 17% (2018 - 17%), which has not been recognised or offset against deferred tax liabilities that will be available for future offset.

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (*continued*)

11 Intangible fixed assets

Group	Player registration £'000
<i>Cost</i>	
At 1 July 2018	82,556
Additions	77,868
Disposals	(8,530)
	<hr/>
At 30 June 2019	151,894
	<hr/>
<i>Amortisation</i>	
At 1 July 2018	23,596
Charge for the year	33,238
On disposals	(5,762)
	<hr/>
At 30 June 2019	51,072
	<hr/>
<i>Net book value</i>	
At 30 June 2019	100,822
	<hr/>
At 30 June 2018	58,960
	<hr/>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (*continued*)

12 Tangible fixed assets

Group	Freehold land and buildings £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
<i>Cost or valuation</i>				
At 1 July 2018	152,472	13,934	3,167	169,573
Additions	2,675	4,961	-	7,636
Disposals	-	(7)	-	(7)
At 30 June 2019	155,147	18,888	3,167	177,202
<i>Depreciation</i>				
At 1 July 2018	13,216	8,297	3,167	24,680
Charge for the year on owned assets	3,425	2,466	-	5,891
Disposals	-	-	-	-
At 30 June 2019	16,641	10,763	3,167	30,571
<i>Net book value</i>				
At 30 June 2019	138,506	8,125	-	146,631
At 30 June 2018	139,256	5,637	-	144,893

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

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

13 Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
The Community Stadium Limited	Ordinary	100%	Construction and management of facilities for the use of Brighton and Hove Albion Football Club
The Brighton and Hove Albion Football Club Limited	Ordinary	99.98%	Professional football club and a member of the Premier League
Brighton & Hove Albion Women's Football Club Limited	Ordinary	100%	Womens football club
New Monks Farm Development Limited	Ordinary	100%	Property investment – non-trading
Albion Sports and Leisure Limited	Ordinary	100%	Dormant
Brighton and Hove Sports and Leisure Limited	Ordinary	100%	Dormant
Albion Securities and Developments Limited	Ordinary	100%	Dormant

The registered address of all the subsidiaries above is American Express Community Stadium, Village Way, Brighton, BN1 9BL.

The aggregate of the share capital and reserves as at 30 June 2019 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £'000	Profit/(loss) £'000
The Community Stadium Limited	(19,826)	(3,396)
The Brighton and Hove Albion Football Club Limited	(126,398)	(16,020)
Brighton & Hove Albion Women's Football Club Limited	(2,780)	(1,783)
New Monks Farm Development Limited	(3,194)	-
Brighton and Hove Sports and Leisure Limited	(17)	-
Albion Sports and Leisure Limited	122	-
Albion Securities and Investments Limited	-	-
	<u>(152,093)</u>	<u>(21,199)</u>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (*continued*)

13 Fixed asset investments (*continued*)

Company	Investments in subsidiary companies £'000
<i>Cost or valuation</i>	
At 1 July 2018	317,701
Additions	49,000
	<hr/>
At 30 June 2019	366,701
	<hr/>
<i>Net book value</i>	
At 30 June 2019	366,701
	<hr/>
At 30 June 2018	317,701
	<hr/>

Investments include long-term receivables from subsidiaries of £363,803,000 (2018: £314,803,000) and equity share capital of £2,898,000 (2018: £2,898,000).

14 Investment property

	Freehold investment property £'000
<i>Valuation</i>	
At 1 July 2018	160
Additions at cost	-
Impairment provision	-
	<hr/>
At 30 June 2019	160
	<hr/>

Investment properties are currently under development.

15 Stocks

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Development property	17,615	17,469	-	-
Goods for resale	557	331	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	18,172	17,800	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

16 Debtors

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade debtors	7,147	10,370	-	-
Transfers receivable within one year	5,494	1,473	-	-
Transfers receivable after more than one year	715	1,369	-	-
Other debtors	1,019	452	-	-
Prepayments and accrued income	3,546	3,431	-	-
Corporation tax recoverable	500	-	-	-
	<u>18,421</u>	<u>17,095</u>	<u>-</u>	<u>-</u>

17 Cash and cash equivalents

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cash at bank and in hand	706	8,969	-	-
	<u>706</u>	<u>8,969</u>	<u>-</u>	<u>-</u>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (*continued*)

18 Creditors: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Bank overdrafts	8,331	-	-	-
Other loans	-	141	-	-
Trade creditors	3,360	3,485	-	-
Transfers payable	14,326	9,861	-	-
Grants receivable	40	40	-	-
Amounts owed to group undertakings	-	-	9	9
Taxation and social security	6,524	9,180	-	-
Corporation tax payable	-	808	-	-
Other creditors	272,004	222,884	271,716	222,716
Accruals and deferred income	22,440	21,323	-	-
	<u>327,025</u>	<u>267,722</u>	<u>271,725</u>	<u>222,725</u>

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

19 Creditors: amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Grants receivable	1,642	1,680	-	-
Accruals and deferred income	352	697	-	-
Transfer payable	8,400	9,086	-	-
	<u>10,394</u>	<u>11,463</u>	<u>-</u>	<u>-</u>

Grants receivable are recognised over a period of 20 years, in accordance with the grant terms.

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

20 Financial instruments

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Financial assets				
Basic financial assets that are measured at amortised cost	15,081	22,633	366,701	317,701
Financial liabilities				
Basic financial liabilities that are measured at amortised cost	(317,864)	(253,857)	(271,725)	(222,725)
	(302,783)	(231,224)	94,976	94,976

Basic financial assets measured at amortised cost comprise intercompany receivables, trade debtors, players debtors and other debtors.

Basic financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, players creditors, other creditors and accruals.

21 Deferred taxation

Group	2019 £'000	2018 £'000
At beginning of year	(1,506)	(1,506)
At end of year	(1,506)	(1,506)

The provision for deferred taxation is made up as follows:

	Group 2019 £'000	Group 2018 £'000
Valuation of properties held as stock	(1,506)	(1,506)

22 Share capital

	2019 £'000	2018 £'000
Shares classified as equity		
<i>Allotted, called up and fully paid</i>		
95,232,380 (2018 - 95,232,380) ordinary shares of £1 each	95,232	95,232

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

23 Reserves

Profit and loss account

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

24 Contingencies - Transfer fees receivable / payable

Under the terms of contracts with other football clubs in regard to player transfers, additional fees could become receivable and payable if certain defined performance criteria are fulfilled. The maximum that could be receivable is £6,932,000 (2018 - £3,300,000) and the maximum that could become payable is £11,746,000 (2018 - £6,272,000).

Additionally, no provision is included in the accounts for signing on fees, as at 30 June 2019, of £8,997,000 (2018: £11,577,000) which would become due to certain players if certain conditions are met.

25 Capital commitments

At 30 June 2019 the Group and Company had capital commitments as follows:

	2019 £'000	2018 £'000
Contracted for but not provided in these financial statements	-	626

Subsequent to the year end, capital commitments were entered into with a value of £22,210,000. As at the year-end these contracts were approved by the board but not yet contracted.

26 Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £292,000 (2018 - £270,000). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the balance sheet date

27 Commitments under operating leases

At 30 June 2019 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £'000	2018 £'000
Not later than 1 year	36	25
Later than 1 year and not later than 5 years	8	15
	<u>44</u>	<u>40</u>

Brighton & Hove Albion Holdings Limited

Notes forming part of the financial statements
for the year ended 30 June 2019 (continued)

28 Related party transactions

Directors loan

At 30 June 2019, an amount owed to AG Bloom by the Group amounted to £271,716,000 (2018 - £222,716,000). These loans are interest free, unsecured and repayable on demand and included in other creditors above.

Brighton & Hove Albion Football Club Limited

At the year end, The Brighton and Hove Albion Football Club Limited owed the company £201,244,100 (2018 - £152,244,000).

Adenstar Construction Ltd

The Group uses Adenstar Construction Ltd, a company owned by DL Chapman (director) to provide project management works. RF Comer (director) is a non-executive director of the company. During the year, the Group paid Adenstar Construction Ltd £nil (2018 - £50,000) for these services. At the year-end no amounts were payable to Adenstar Construction Ltd (2018 - £Nil).

CCI Accountants

The Group uses CCI Accountants, a firm in which RF Comer (director) is a partner, for advisory services relating to capital projects. During the year, the Group paid CCI Accountants £8,280 (2018 - £nil) for these services. At the year-end no amounts were payable (2018 - £Nil).

Other

The Group uses Dr E Perry, the wife of M Perry (director) to provide counselling services for employees. During the year, the Group paid Dr Perry £4,550 (2018 - £12,000) for these services. At the year-end no amounts were payable to Dr Perry (2018 - £Nil).

Key Management Personnel Remuneration

The directors are considered to be the key management personnel and their remuneration is disclosed in Note 7.

Albion in the community

The company has a charitable arm, Albion in the Community. At the year end, the charity owed the company £22,000 (2018 - £32,000), and the company owed the charity £2,000 (2018 - £22,000).

29 Controlling party

The ultimate controlling party of the Group is AG Bloom, by virtue of his shareholding in the company.