

Brighton & Hove Albion Holdings Limited

Registered number: 02849319

Annual Report

For the year ended 30 June 2017

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BRIGHTON & HOVE ALBION HOLDINGS LIMITED

COMPANY INFORMATION

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

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BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

The 2016/17 season is one which will live long in the memory of Brighton & Hove Albion supporters, as the club won promotion to the Premier League for the first time, and finally returned to the top flight of English football after a 34-year absence.

On the back of an outstanding season in 2015/16, the team responded brilliantly to the double disappointment of twice missing out on promotion – on the final day of the season and in the playoffs – and bounced back in style: securing automatic promotion with three games to spare.

Once again Chris Hughton's astute and skilful leadership as manager, ably supported by his coaching and backroom staff, was a vital component of our success. Another was the ability, hard work and endeavour of the playing squad and a genuine sense of togetherness which continues to grow and is serving us well in the opening half of our first Premier League season.

We knew if we were going to compete at the top end of the Championship again, and rival three very strong teams coming into the division from the Premier League, that we needed to strengthen, and also retain our best players. Our recruitment added quality and experience, providing extra strength and depth across all areas.

Retaining our key players from the previous season was vital, and we rejected significant bids for three players: Anthony Knockaert, Lewis Dunk and Dale Stephens. Dale was a difficult situation because we knew that we could lose him for nothing come the end of the 2016/17 season – but our view was that our chances of promotion would be severely lessened if we did not have him in the squad. We were delighted this strategy paid off – and even more delighted when Dale signed a new and well-deserved contract during the summer. The consistency and excellence of Anthony and Lewis - alongside so many others - was there for all to see.

Progress

We made our most significant step in terms of progressing the club during the 2016/17 season. There was never a guarantee we would make that final step, but now having made it, we will be doing all we can to stay in the Premier League this season – with a longer term aim of establishing ourselves at the top level.

The finances of the club were changed virtually overnight, as we were celebrating the win over Wigan Athletic on 17 April and our subsequent promotion. Our annual turnover has been boosted by approximately £100m for the current season, but we are now paying significantly more in terms of transfer fees and player salaries.

What is important is that all investments are made sensibly and very much with the club's long-term future at heart. As such, we have a clear financial structure that we work very hard to maintain with a view to the short, medium and longer term. Having arrived in the Premier League, most of our supporters will be aware that we will not change this ethos, as our summer 2017 recruitment policy demonstrated.

Aside from being unable to strengthen our options in the centre forward position – a feat which proved difficult for several Premier League clubs as well as for us – I was delighted with our summer transfer activity. I am equally delighted that our new arrivals are making such a positive impact on the field. We are confident that working under Chris, they will continue to develop and improve.

I would once again like to thank the board of directors, the majority of whom give their time and expertise to the club without charge. I also salute Chris, his staff and above all our players, who go down in our history as a very special group.

The work undertaken by our administration, operations and support staff off the pitch – in boosting the operating results of the business and ensuring we remain operationally efficient – remains of the highest standard, and it must not be underestimated how much this work over many, many seasons has assisted us with our on-pitch ambitions. Hence, we were absolutely delighted to pay all staff a significant promotion bonus this summer.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

Community and Supporters

As I have already said, our ethos and culture will not change with promotion to the Premier League – and our commitment to the local community will always remain an important part of our focus, both for the club and its charitable arm Albion in the Community (AIRC). It is testament to its quality of provision that AIRC was awarded the accolade of being voted the best football community scheme for a third year in succession. This makes me and so many people in our city very proud.

We know how important this club is to so many people, and know we can have an impact in such a positive and inspiring way. Since our promotion to the Premier League we have seen so much pride and positivity in the local area and we will continue to embrace that.

And while we are also seeing revenue coming in from new areas, and welcoming supporters from across the world, we will never forget the importance of our long-standing fans. They will always remain the very heartbeat of the Albion. We will continue to interact, hear concerns, and as we have promised throughout my time as chairman that dialogue with fans – which, quite literally, takes place on a daily basis - will always be an important part of our identity.

The Future

Our ambition for the club's senior teams, both men and women, is to play at the highest level possible. We have achieved that with the men's team, so now our focus is on retaining our Premier League status, and establishing ourselves at this level. The women's team under the guidance of head coach Hope Powell has made a strong start to the season in WSL2, and I am delighted that next season we will also be playing in the top division in the restructured WSL1 (Womens Super League1).

We have never been about making bold statements, setting unrealistic goals or creating unnecessary pressure with time limits, our aim has always been progression. Small steps, sustainable progress and, where we encounter bumps in the road or knocks along the way, coming back even stronger and still together.

Such is the nature of professional sport at the highest level, there will be some tough times ahead no doubt, but with our togetherness and spirit, I am confident the football club's future will have plenty more ups than downs.

Name Tony Bloom
Chairman

Date: 22/12/2017

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017

Introduction

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

Business Review

Financial Summary

	Jun-17 £000	Jun-16 £000
Turnover	29,167	24,648
Administrative and Operational Costs	(13,565)	(12,294)
Operating Profit before Football Costs and Depreciation	15,602	12,354
Depreciation	(4,415)	(4,933)
Player Trading	(5,963)	(2,637)
Football Costs	(35,035)	(30,673)
Promotion Costs	(9,082)	-
Operating Loss	(38,893)	(25,889)

Financial Highlights

- Turnover increase: 18%
- Admin and Operational Cost increase: 10%
- Operating Profit before Football costs and depreciation increase: 26%
- Increase in player trading costs: 126%
- Investment in Football Costs increased by 14%
- Operating Loss significant increase from £25.9m to £38.9m

The financial results for the year ending 30 June 2017 reflect the season in which Brighton & Hove Albion finished second in the EFL Championship and achieved promotion to the Premier League. The hugely successful football season saw a significant increase in turnover giving rise to an increased operating profit before football costs and depreciation. The increase in player trading and football costs reflects the ongoing investment in the playing squad. The costs of promotion £9.1m are shown separately in the accounts as an exceptional item. Including this one off cost, the overall operating loss was £38.9m an increase of 50% from the previous period.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

Financial Highlights (continued)

The key financial highlights are as follows:-

- **Turnover.**
Average match day attendances increased to 27,966 compared to 25,583 in the previous season. Ticket income increased from £9.4m to £10.6m. Football League and central distributions increased from £5.5m to £7.6m, due to an increased solidarity payment from the Premier League and an increased number of live televised matches. Commercial income increased from £5.5m to £5.9m, and retail income increased from £1.3m to £1.8m. There was a small reduction in our catering and non-match day event income from £1.3m to £1.1m with the prior year benefitting from the Rugby World Cup matches hosted at the stadium.
- **Administrative and Operational Costs.**
The cost increase is linked to the increase in turnover, and also due to higher stadium maintenance and operational costs. The cost of security at both the stadium and the training ground continues to increase.
- **Player Trading.**
This represents the amortisation of purchased player registrations less the profit on sale of players. Player amortisation has increased from £3.8m to £6.3m. This is primarily due to new players signed this season. Profit on player disposals was down from £1.1m to £0.3m. This reflects the Clubs stance in not selling players in order to give itself the best chance of achieving promotion.
- **Football costs.**
Football costs increased from £30.6m to £35.3m. This increase is not only an increase in the player wage bill but also a continued investment in the Youth Academy and facilities at the training ground.
- **Promotion costs.**
The cost of achieving promotion to the Premier League was £9.1m. This included bonuses paid to players and to all staff. It also included the end of year parade and other celebrations.
- **Balance Sheet.**
Whilst the Balance Sheet is showing a net liabilities asset position, funding for the group continues to be provided by its Chairman Tony Bloom by way of interest free loans and equity conversion. Included in stock is the land for development at New Monks Farm adjoining our training ground, and is recorded in the accounts at cost of £15.7m. Planning permission has been submitted for housing and retail development on this site and we are hopeful of a positive outcome in 2018.

Profit and Sustainability Rules

The Football Leagues new profitability and sustainability rules came into effect for the first time this season, replacing the old Financial Fair Play rules. Under the new rules adjusted losses of £39m over a three year period are allowable. The operating loss is adjusted for depreciation and allowable expenditure such as our investment in our Category 1 academy. The Club has once again complied with all of the Football League's Rules for the 2016/17 season. For 2017/18 in the Premier League the allowable annual loss increases to £35m.

Playing Matters

The 2016/17 football season was an excellent one for the Club resulting in promotion to the Premier League. The Club has strengthened the playing squad since the year end and has made a promising start to the 2017/18 season in the Premier League.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

Financial Highlights (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 and Nike. The Club is also grateful for the continued support and hard work of Sodexo. As our catering and non matchday events partner, Sodexo continue to provide an excellent service.

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

Promotion to the Premier League will see a significant increase in the Group's revenues, estimated at approximately £100m, primarily due to the significant domestic and overseas TV rights that the Premier League generates. At the same time player wages and transfer fees will inevitably increase as the Club has retained and attracted players capable of competing in the Premier League.

Principal risk

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

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



D A Jones
Director

Date: 22/12/2017

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Results and dividends

The loss for the year, after taxation, amounted to £38,886,789 (2016: loss of £25,863,500).

The directors are unable to recommend the payment of a dividend (2016: £nil).

Directors

The directors who served during the year were:

A G Bloom (Chairman)
P J Barber (CEO)
R A Bloom
D L Chapman
R F Comer
A S Franks
P W Godfrey
D A Jones (Finance Director)
M J Perry
M L Sugarman
M J Walder (appointed 1 July 2016)

Employee involvement

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

Disabled employees

Brighton and Hove Albion Football Club is committed to conform to all relevant legal and regulatory requirements, and is an equal opportunities employer committed to this principle within its own organisation. The Group encourages similar commitment from every organisation we have business or social dealings with. This policy covers the advertisement of jobs, job location or working environment, pay and employment terms and conditions, internal training and development opportunities.

Matters covered in the strategic report

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

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



R F Comer
Director

Date: 22/12/2017

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Brighton & Hove Albion Holdings Limited (the 'company') for the year ended 30 June 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and FRS 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 affairs as at 30 June 2017 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the Group liabilities exceed its assets and that the group had made a loss for the year. As stated in note 2, these events and conditions, along with the other matter as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information the Strategic Report and the Directors' 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.

Opinion on the other matter 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 Chairman's Statement, Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

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

Matters on which we are required to report by exception

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

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 directors' responsibilities statement set out on page 7, 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 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 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 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

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

Auditor's responsibilities for the audit of the financial statements (continued)

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 auditor's report.



Alistair Fraser (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House
Throwley Way
SM1 4JQ
SM1 4JQ

Date:

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Turnover	4	29,167,619	24,648,011
Gross profit		<u>29,167,619</u>	<u>24,648,011</u>
Administrative expenses		(59,019,461)	(50,957,126)
Promotion costs		(9,081,626)	-
Other operating income	5	40,000	420,154
Operating loss	6	<u>(38,893,468)</u>	<u>(25,888,961)</u>
Interest receivable and similar income	10	6,679	25,461
Loss before tax		<u>(38,886,789)</u>	<u>(25,863,500)</u>
Tax on loss	11	-	-
Loss for the financial year		<u>(38,886,789)</u>	<u>(25,863,500)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(38,886,789)</u>	<u>(25,863,500)</u>
Loss for the year attributable to:			
Owners of the parent company		<u>(38,886,789)</u>	<u>(25,863,500)</u>
		<u>(38,886,789)</u>	<u>(25,863,500)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED
REGISTERED NUMBER: 02849319

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	20,979,591	8,288,821
Tangible assets	14	140,515,459	141,143,474
Investment property		2,029,799	2,027,738
		<u>163,524,849</u>	<u>151,460,033</u>
Current assets			
Stocks	17	16,004,596	13,036,429
Debtors: amounts falling due within one year	18	4,971,331	2,552,133
Cash at bank and in hand	19	210,989	4,497,228
		<u>21,186,916</u>	<u>20,085,790</u>
Creditors: amounts falling due within one year	20	(224,514,470)	(180,056,556)
Net current liabilities		<u>(203,327,554)</u>	<u>(159,970,766)</u>
Total assets less current liabilities		<u>(39,802,705)</u>	<u>(8,510,733)</u>
Creditors: amounts falling due after more than one year	21	(2,781,531)	(3,186,714)
Provisions for liabilities			
Deferred taxation	22	(1,505,522)	(1,505,522)
		<u>(1,505,522)</u>	<u>(1,505,522)</u>
Net liabilities		<u><u>(44,089,758)</u></u>	<u><u>(13,202,969)</u></u>
Capital and reserves			
Called up share capital	23	95,232,380	87,232,380
Profit and loss account	24	(139,322,138)	(100,435,349)
		<u>(44,089,758)</u>	<u>(13,202,969)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D A Jones
 Director

Date: 22/12/2017

The notes on pages 18 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED
REGISTERED NUMBER: 02849319

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	15	2,898,266	2,898,266
		<u>2,898,266</u>	<u>2,898,266</u>
Current assets			
Debtors: amounts falling due within one year	18	282,771,331	254,560,331
		<u>282,771,331</u>	<u>254,560,331</u>
Creditors: amounts falling due within one year	20	(190,693,026)	(170,482,026)
		<u>(190,693,026)</u>	<u>(170,482,026)</u>
Net current assets		<u>92,078,305</u>	<u>84,078,305</u>
Net assets		<u>94,976,571</u>	<u>86,976,571</u>
Capital and reserves			
Called up share capital	23	95,232,380	87,232,380
Profit and loss account	24	(255,809)	(255,809)
		<u>94,976,571</u>	<u>86,976,571</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D A Jones
Director

Date: 22/12/2017

The notes on pages 18 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	76,232,380	(74,571,849)	1,660,531
Comprehensive income for the year			
Loss for the year	-	(25,863,500)	(25,863,500)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(25,863,500)	(25,863,500)
Contributions by owners			
Shares issued during the year	11,000,000	-	11,000,000
Total transactions with owners	11,000,000	-	11,000,000
At 1 July 2016	87,232,380	(100,435,349)	(13,202,969)
Comprehensive income for the year			
Loss for the year	-	(38,886,789)	(38,886,789)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(38,886,789)	(38,886,789)
Contributions by owners			
Shares issued during the year	8,000,000	-	8,000,000
Total transactions with owners	8,000,000	-	8,000,000
At 30 June 2017	<u>95,232,380</u>	<u>(139,322,138)</u>	<u>(44,089,758)</u>

The notes on pages 18 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2015	76,232,380	(255,809)	75,976,571
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Contributions by owners			
Shares issued during the year	11,000,000	-	11,000,000
Total transactions with owners	11,000,000	-	11,000,000
At 1 July 2016	87,232,380	(255,809)	86,976,571
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Contributions by owners			
Shares issued during the year	8,000,000	-	8,000,000
Total transactions with owners	8,000,000	-	8,000,000
At 30 June 2017	95,232,380	(255,809)	94,976,571

The notes on pages 18 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	(38,886,789)	(25,863,500)
Adjustments for:		
Amortisation of intangible assets	6,276,245	3,796,612
Depreciation of tangible assets	4,414,860	4,932,539
Profit on disposal of tangible assets	-	(1,160,000)
Grants	(40,000)	(390,000)
Interest received	(6,679)	(25,461)
(Increase) in stocks	(2,968,167)	(10,975,077)
(Increase)/decrease in debtors	(2,446,067)	1,628,582
Increase in creditors	7,528,691	1,453,872
Net cash generated from operating activities	<u>(26,127,906)</u>	<u>(26,602,433)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(18,967,015)	(9,145,468)
Sale of intangible assets	-	1,160,000
Purchase of tangible fixed assets	(3,786,845)	(1,057,044)
Purchase of investment properties	(2,061)	(954,421)
Interest received	6,679	25,461
Net cash from investing activities	<u>(22,749,242)</u>	<u>(9,971,472)</u>
Cash flows from financing activities		
Issue of ordinary shares	-	11,000,000
Loans from directors	28,211,000	22,950,798
Net cash used in financing activities	<u>28,211,000</u>	<u>33,950,798</u>
Cash and cash equivalents at beginning of year	4,497,228	7,120,335
Cash and cash equivalents at the end of year	<u>(16,168,920)</u>	<u>4,497,228</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	210,989	4,497,228
Bank overdrafts	(16,379,909)	-
	<u>(16,168,920)</u>	<u>4,497,228</u>

The notes on pages 18 to 36 form part of these financial statements.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

Brighton & Hove Albion Holdings Limited is a company limited by shares and registered in England and Wales. Its registered office and that of all its subsidiaries is American Express Community Stadium, Village Way, Brighton, BN1 9BL.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentation currency of the Group is Pounds Sterling as that is the currency of the primary economic environment in which the Group operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the 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.

2.3 Going concern

As at 30 June 2017 the group made a loss for the year of £38,886,789, and has net current liabilities of £203,327,554 and net liabilities of £44,089,758. 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, together with the fact that the Chairman of the Group has undertaken not to 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 financial statements make no provision for any adjustment should the going concern basis not be appropriate.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.4 Revenue

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

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

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

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

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

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

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

2.5 Intangible assets

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

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

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

2.6 Tangible fixed assets

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Freehold Land and Buildings	- 2% straight line
Motor vehicles	- 25% straight line
Fixtures & 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, or if there is an indication of a significant change since the last reporting date.

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

2.7 Investment property

Investment property is carried at fair value. 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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

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

2.10 Debtors

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

2.11 Cash and cash equivalents

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

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.12 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade 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.

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.

2.13 Creditors

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 Interest income

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

2.17 Borrowing costs

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

2.18 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.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.19 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.

2.20 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

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

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

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

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.

4. Turnover

All turnover arose within the United Kingdom.

	2017 £	2016 £
Analysis of turnover - group		
Ticketing	10,690,282	9,409,780
Football League and central distributions	7,651,040	5,469,021
Commercial sponsorship / advertising	5,888,019	5,515,734
Retail	1,757,603	1,283,726
Media	482,788	409,057
Catering and events	1,125,531	1,341,422
Academy grant	1,071,500	849,500
Womens Football Club income	125,707	83,168
Other income	375,149	286,603
	<u>29,167,619</u>	<u>24,648,011</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Other operating income

	2017 £	2016 £
Other operating income	-	30,154
Grants receivable	40,000	390,000
	<u>40,000</u>	<u>420,154</u>

6. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	4,414,860	4,932,538
Amortisation of intangible assets, including goodwill	6,276,243	3,796,610
Defined contribution pension cost	224,357	206,940
Cost of stocks recognised as an expense	313,425	1,160,000
Operating lease payments	56,447	53,578
Grants receivable	(40,000)	(390,000)
	<u>11,345,332</u>	<u>10,759,666</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	21,500	16,915
	<u>21,500</u>	<u>16,915</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	2,500	2,500
All other services	6,500	4,500
	<u>9,000</u>	<u>7,000</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

8. Employees

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

	Group 2017 £	Group 2016 £
Wages and salaries	35,663,610	24,982,272
Staff national insurance	4,463,733	3,050,070
Staff pension costs	224,357	206,940
	<u>40,351,700</u>	<u>28,239,282</u>

The above costs include promotion bonuses payable to all players and staff.

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

	2017 No.	2016 No.
Players	78	73
Football operations	126	116
Management and administration	84	81
	<u>288</u>	<u>270</u>

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	1,609,936	862,373
Company contributions to defined contribution pension schemes	62,698	66,980
	<u>1,672,634</u>	<u>929,353</u>

During the year retirement benefits were accruing to 3 directors (2016: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,208,373 (2016: £578,213). This remuneration included benefits related to promotion, personal performance and long term loyalty to the club.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £34,583 (2016: £40,000).

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10. Interest receivable

	2017 £	2016 £
Bank interest receivable	6,679	25,461

11. Taxation

	2017 £	2016 £
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(38,886,789)	(25,863,500)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(7,777,358)	(5,172,700)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	4,056
Capital allowances for year in excess of depreciation	-	33,132
Short term timing difference leading to an increase (decrease) in taxation	-	789
Other timing differences leading to an increase (decrease) in taxation	-	(2)
Unrelieved tax losses carried forward	7,777,358	5,134,725
Total tax charge for the year	-	-

Factors that may affect future tax charges

At 30 June 2017, the group had approximately £165,000,000 (2016: £125,000,000) of trading losses to carry forward.

The group has a potential deferred tax asset of £28,050,000 (2016: £19,886,248) calculated at the tax rate of 17% (2016: 20%), which has not been recognised.

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

12. Intangible assets

Group and Company

	Player registrations £
Cost	
At 1 July 2016	14,176,186
Additions	18,967,015
Disposals	(1,471,008)
At 30 June 2017	<u>31,672,193</u>
Amortisation	
At 1 July 2016	5,887,365
Charge for the year	6,276,243
On disposals	(1,471,006)
At 30 June 2017	<u>10,692,602</u>
Net book value	
At 30 June 2017	<u>20,979,591</u>
At 30 June 2016	<u>8,288,821</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £nil (2016 - £nil).

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

14. Tangible fixed assets

Group

	Freehold Land and Buildings £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Assets under construc- tion £	Total £
Cost or valuation						
At 1 July 2016	139,792,778	28,390	8,582,822	3,165,386	5,021,696	156,591,072
Additions	-	-	1,251,294	-	2,535,551	3,786,845
Transfers between classes	4,633,496	-	828,463	-	(5,461,959)	-
At 30 June 2017	<u>144,426,274</u>	<u>28,390</u>	<u>10,662,579</u>	<u>3,165,386</u>	<u>2,095,288</u>	<u>160,377,917</u>
Depreciation						
At 1 July 2016	7,651,078	28,390	4,843,519	2,924,611	-	15,447,598
Charge for the year on owned assets	2,727,208	-	1,584,086	103,566	-	4,414,860
At 30 June 2017	<u>10,378,286</u>	<u>28,390</u>	<u>6,427,605</u>	<u>3,028,177</u>	<u>-</u>	<u>19,862,458</u>
Net book value						
At 30 June 2017	<u><u>134,047,988</u></u>	<u><u>-</u></u>	<u><u>4,234,974</u></u>	<u><u>137,209</u></u>	<u><u>2,095,288</u></u>	<u><u>140,515,459</u></u>
At 30 June 2016	<u><u>132,141,700</u></u>	<u><u>-</u></u>	<u><u>3,739,303</u></u>	<u><u>240,775</u></u>	<u><u>5,021,696</u></u>	<u><u>141,143,474</u></u>

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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

15. 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	99.9 %	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
Brighton and Hove Sports and Leisure Limited	ordinary	100 %	Dormant
Brighton & Hove Albion Women's Football Club Limited	ordinary	100 %	Dormant
Albion Securities and Developments Limited	ordinary	100 %	Dormant

On 7 July 2016, Brighton and Hove Albion Holdings Limited subscribed to 100% issued share capital of Brighton & Hove Albion Women's Football Club Limited, for an amount of £1.

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

15. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 June 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
The Community Stadium Limited	(11,428,026)	(2,469,779)
The Brighton and Hove Albion Football Club Limited	(127,337,684)	(36,081,669)
Brighton & Hove Albion Women's Football Club Limited	(335,340)	(335,341)
New Monks Farm Development Limited	(3,124,682)	-
Brighton and Hove Sports and Leisure Limited	(16,989)	-
Albion Sports and Leisure Limited	121,710	-
Albion Securities and Investments Limited	2	-
	<u>(142,121,009)</u>	<u>(38,886,789)</u>

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	2,898,266
At 30 June 2017	<u>2,898,266</u>
Net book value	
At 30 June 2017	2,898,266
At 30 June 2016	<u>2,898,266</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

16. Investment property

Valuation	Freehold investment property £
At 1 July 2016	2,027,738
Additions at cost	2,061
At 30 June 2017	2,029,799

Investment Properties are currently under development.

17. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Development property	15,749,496	12,751,287	-	-
Goods for resale	255,100	285,142	-	-
	<u>16,004,596</u>	<u>13,036,429</u>	<u>-</u>	<u>-</u>

18. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	1,952,334	1,118,249	-	-
Amounts owed by group undertakings	-	-	282,771,331	254,560,331
Other debtors	1,004,225	115,942	-	-
Prepayments and accrued income	2,008,162	1,284,463	-	-
Tax recoverable	6,610	33,479	-	-
	<u>4,971,331</u>	<u>2,552,133</u>	<u>282,771,331</u>	<u>254,560,331</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

19. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	210,989	4,497,228	-	-
Less: bank overdrafts	(16,379,909)	-	-	-
	<u>(16,168,920)</u>	<u>4,497,228</u>	<u>-</u>	<u>-</u>

20. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	16,379,909	-	-	-
Other loans	140,903	140,903	-	-
Trade creditors	6,457,497	1,121,621	-	-
Grants receivable	40,000	40,000	-	-
Amounts owed to group undertakings	-	-	8,998	8,998
Taxation and social security	1,995,363	1,521,136	-	-
Other creditors	191,329,752	170,622,120	190,684,028	170,473,028
Accruals and deferred income	8,171,046	6,610,776	-	-
	<u>224,514,470</u>	<u>180,056,556</u>	<u>190,693,026</u>	<u>170,482,026</u>

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

The bank overdraft above is secured by a fixed charge over all rights and title over all Central Funds receivable relating to the 2017/2018 season. The overdraft is repayable on demand.

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Grants receivable	1,720,000	1,760,000	-	-
Accruals and deferred income	1,061,531	1,426,714	-	-
	<u>2,781,531</u>	<u>3,186,714</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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

22. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	(1,505,522)	-
Arising on business combination	-	(1,505,522)
At end of year	(1,505,522)	(1,505,522)

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £
Valuation of properties held as stock	(1,505,522)	(1,505,522)
	<u>(1,505,522)</u>	<u>(1,505,522)</u>

23. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
95,232,380 (2016: 87,232,380) Ordinary shares of £1 each	95,232,380	87,232,380

On 27 July 2016, 8,000,000 (2016 : 20 July 2015, 11,000,000) Ordinary £1 shares were issued at par to A Bloom. The consideration for these shares was by way of capitalisation of his directors loan.

24. Reserves

Profit & loss account

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

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25. Contingent liabilities

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 £nil (2016: £812,500) and the maximum that could become payable is £2,100,000 (2016: £2,307,853).

26. Capital commitments

At 30 June 2017 the Group and Company had capital commitments as follows:

	Group 2017 £	Group 2016 £
Contracted for but not provided in these financial statements	934,652	491,089

27. 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 £224,351 (2016: £206,940). Contributions totaling £nil (2016: £nil) were payable to the fund at the balance sheet date

28. Commitments under operating leases

At 30 June 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	41,563	41,563
Later than 1 year and not later than 5 years	31,422	31,422
	<u>72,985</u>	<u>72,985</u>

BRIGHTON & HOVE ALBION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

29. Related party transactions

Directors loan

At 30 June 2017, an amount owed to A Bloom by the Group amounted to £190,684,028 (2016: £170,473,028). These loans are interest free, unsecured and repayable on demand and included in other creditors above.

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 £14,190 (2016: £20,280) for these services. At the period end no amounts were payable to Dr Perry (2016: £3,940).

Key Management Personnel Remuneration

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

Albion in the community

The Group operates a local charity, Albion in the Community. At the period end, the charity owed the group £280,755 (2016: £44,912).

30. Controlling party

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