

Brentford FC Limited

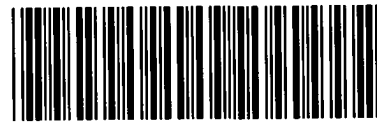
Report and Financial Statements

Year Ended

30 June 2018

Company Number 03642327

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Brentford FC Limited

Report and financial statements for the year ended 30 June 2018

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Directors

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

Secretary and registered office

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

Company number

03642327

Auditors

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

Brentford FC Limited

Chairman's statement for the year ended 30 June 2018

Chairman's statement

Executive Summary

Our fourth consecutive season in the Championship resulted in a fourth top ten finish in a row, which was made all the more impressive by the lack of points won at the start of the season. Wolves were the stand out team of the season and Cardiff secured an unexpected promotion to the Premier League, and they were in my view the only teams who we really struggled against during the season.

Of course the main talking point off the pitch was the long awaited start of construction of our new stadium which many had begun to doubt would ever happen after so many years. Our perseverance was rewarded as fans began to see the south stand rise out of the ground in the summer of 2018. Perhaps the most remarkable achievement is continuing to challenge in the top half of the table while operating comfortably within FFP regulations, largely achieved by securing profits from player trading of over £40 Million in the last three financial years.

To have improved the quality of our squad and maintained our results, in such a demanding league against this backdrop is an achievement, of which I am rightly proud.

The Season

Yet another pre-season began with early additions to the squad with the arrival of Henrik Dalsgaard, Neal Maupay and Ollie Watkins in particular. This period also saw an unbeaten pre-season run of games and so confidence was high as the league season began away at Sheffield United, one of the newly promoted teams but for the sixth consecutive season we failed to secure 3 points on the opening day and lost 1-0 despite missing some good chances.

This was the start of a run of eight games without a win which left us in 22nd place in the Championship on 4 points. While some were beginning to question the team and the staff, we knew that the quality of our football was significantly better than the results and it was just a matter of time before the tide would turn.

A nine game unbeaten run immediately followed, starting with a thumping 3-0 win at Bolton and only 2 defeats in 18 games saw us climb to 10th. We never fell more than one place from there and ultimately finished 9th with a haul of 69 points.

Right at the end of the transfer window we said goodbye to Harlee Dean and on transfer deadline day Jota and Maxime Colin also left us, to join Harlee at Birmingham City. Many fans thought it was foolhardy to sell three players who had performed so well for us in 2016/17 to one club but subsequent results and in particular our 5-0 thrashing of Birmingham City on a Tuesday Night in February at Griffin Park was for some, the highlight of the season.

Other key events during the season were the announcement in August of the signing of Emiliano Marcondes who would join in the January window and the elevation of Chris Mepham to the senior squad in September. Chris went on to have a stellar first season at football league level.

On the negative side, a serious injury to Rico Henry in the same month resulted in him missing the rest of the season. The League Cup saw us win at AFC Wimbledon and QPR but then come unstuck at home to Norwich, who were subsequently drawn away to Arsenal, and a rather poor performance saw us lose 0-1 at home to Notts Country in the third round of the FA Cup.

The season ended on a very positive note with only one defeat (away to Barnsley, who were subsequently relegated) in our last nine matches. Those performances gave us confidence for the new season. A haul of 65 points from the last 38 games was top six form!

However, ultimately it is results that govern where we finish and two wins from six games against the three teams who were relegated and all 3 home games drawn saw us finish outside the top 6, missing the target by just six points.

Brentford FC Limited

Chairman's statement for the year ended 30 June 2018 (continued)

The Season *(continued)*

My personal highlights apart from the Birmingham game was our last minute equaliser at Fulham in a game where we deserved all 3 points against a team who were subsequently promoted to the Premier League and, for very different reasons, injury time at QPR. Enough said about that!

Football Management Team.

The season was one where the team behind the team was stable and continuing to improve our internal processes and organisation, continually looking to find edges which can help us outthink our competitors. Dean, Richard and Thomas worked really well together and with support from Phil and Rasmus, our Co Directors of football, we had a very settled group whose ideas were being taken on board by the players.

The B team continued to thrive under Kevin O'Connor's leadership and there is a clear pathway through to the first team. As mentioned previously, Chris Mepham's elevation to the first team squad, and debuts by Theo Archibald, Marcus Forss and Reece Cole to name but three, show that it is a model which can and will bear fruit over the coming years. In fact during the first International break half of our players on duty were members of the B team squad.

End of Season and New Season Update

The first highlight was the appearance at a World Cup Finals tournament of a Brentford player. Step forward Henrik Dalsgaard who played in all of Denmark's matches. As in previous seasons, we completed our main incoming transfers early with Ezri Konsa, Said Benrahma and Julian Jeanvier, all joining us in July followed by the very welcome return of Moses Odubajo in August.

During this period, but after securing the transfers in, we sold John Egan and Florian Josefzoon to Championship rivals, and just before the end of the loan window, loaned Ryan Woods to Stoke, whose deal became permanent earlier this month.

Once again holding to our principle of obtaining the right valuation for players, while maintaining a strategy for replacements, with the potential to improve the squad, was deemed a success.

As I write these notes, a promising start of only one defeat in our first eight games has been followed by a run of one win in fourteen games. Last Saturday's win at home to Stoke was our fifth game in a row unbeaten since we changed formation to three at the back, and whilst we currently sit 17th in the table, our new defensive solidity means we can start to look upwards for the rest of the season.

We were sorry to see Dean Smith and his assistant Richard O'Kelly leave to go to Aston Villa, albeit for very understandable and well documented reasons. I would like to take this opportunity to thank Dean and Richard for all their hard work and efforts over nearly three years at Brentford. They and their families are quite delightful, and such good people. I wish them every future success (except, of course, when they play us)! However, I am at the same time delighted that Thomas Frank, who has been with us for nearly two years, has been promoted to be our Head Coach. Thomas is also a lovely man, with a lovely family and he has our full support. I am also delighted to welcome Brian Riemer who has recently joined us as First Team Assistant Coach and delighted that Kevin O'Connor was last month elevated to the first team staff as third coach with Lars Friis taking over the reins of the B team.

It is with a heavy heart that I also record here the loss of our Technical Director Rob Rowan who suddenly passed away at the age of 28. He will be sorely missed by everyone at Brentford. We also said goodbye to Mark Devlin who left the club after seven and a half years as CEO.

Brentford FC Limited

Chairman's statement for the year ended 30 June 2018 (*continued*)

Finances

The accounts for the year under review show an operational loss of £4.4m (2017 - £0.9m) with a loss before taxation of £3.9m (2017 - £1.0m). This is after gains on disposal of player registrations of £14.1m (2017 - £12.8m).

Matthew Benham's total financial commitment to the club and to the group at 30th June 2018 stands at £113.9m (2017 - £101.6m). This sum includes £33.6m (2017 - £30.0m) of secured loans specifically in relation to the Brentford Community Stadium project.

Brentford Community Stadium

I am delighted to finally be able to confirm that building of our new stadium began in April 2018.

It has been an incredibly long journey but one that ultimately will deliver a stadium that can support our long term ambitions to be a sustainable football club. Our fans have been watching with great interest as the South stand, followed by the East and West stands have risen from the ground. After careful consideration, and taking into account any potential challenges we may face along the way, we announced that it is our intention to move into our new stadium in the summer of 2020 and to play our first competitive match there at the start of 2020/21 season.

There is a significant amount of work that is going on behind the scenes and the Board is extremely grateful to the chairman of the stadium subsidiary company, Conor Hayes, for leading this project over the last two and a half years. Our fans focus groups are up and running and we are about to commence selling premium seats in the new stadium in February.

The BFCCST continue to go from strength to strength and it will be great to have them located on our doorstep when we move in.

Conclusion

The 2017/18 season has been yet another season of consolidation and progress, a fourth consecutive top 10 finish has created a platform from which we intend to build in our attempt to finish in the top six and ultimately secure promotion to the Premier league.

The quality of the squad goes from strength to strength and so the entire club's ambitions are aligned and focused on building for the future.

As always, it's a real team effort and I would like to thank my fellow Board Directors and all the staff at Brentford Football club for their continuing hard work and commitment to the cause in striving to achieve our stated aims.



Cliff Crown FCA
Chairman
28 January 2019

Brentford FC Limited

Strategic report for the year ended 30 June 2018

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2018.

Principal risks and uncertainties

The Club's strategy is to continue to improve the quality of live football, to engage with the local community and become a sustainable organisation through success on and off the pitch. As a result, the Club has continued to invest in the squad over the Summer of 2018 with players who fit in with the Club's style of play and who will aid in building the Club's football philosophy and identity as a strong Championship side, as well as selling players when the Club believes the right valuation has been met.

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

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

Business Review

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

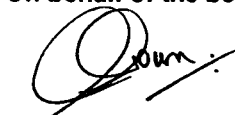
Indicator	2017/18	2016/17	% change
Turnover (£m)	12.7	12.7	+0%
Operating loss (£m)	(4.4)	(0.9)	+389%
Season tickets (number)	5,828	5,840	-0%
Average attendance per game (number)	10,581	10,472	+1%
Final position in Championship	9th	10 th	

Turnover remained stable in the year at £12,742,163 (2017: £12,696,094) due to similar on pitch performance and attendances year on year.

The Club produced an operating loss in the year of £4,415,341 (2017: £853,957), mainly due to increased football related costs, including player amortisation.

The Club is in a net liability position of £263,372 (2017: net assets of £2,598,242) due to the loss in the year. The other main movement in the balance sheet is due to reallocation of land and associated costs from fixed assets to stock of £31,126,255.

On behalf of the board



G. Crown FCA (Chairman)
Director
28 January 2019

Brentford FC Limited

Report of the directors for the year ended 30 June 2018

The directors present their report together with the audited financial statements for the year ended 30 June 2018.

Information included in the strategic report

The strategic report above, along with other narrative in the Chairman's Statement, includes information on key performance indicators, a review of the business, information on the principal risks and uncertainties facing the group as well as information on future developments.

Results and dividends

The profit and loss account is set out on page 10 and shows the loss for the year.

Post balance sheet events

Post year end, the group entered in to an amended and re-stated Development Agreement ("DA") with a third party developer for the new stadium through Lionel Road Developments Ltd, a subsidiary of the company. The agreement incorporates the transfer of various pieces of land (the Central Eastern site at Lionel Road, the Central Southern site at Lionel Road, the Duffy site and the Capital Court site) to the developer by the group, including its existing stadium at Griffin Park, in consideration for cash payments in instalments totalling £30m (of which £2.5m was received during 2014 and £20m was received on 20th August 2018) and a newly constructed stadium at Lionel Road scheduled for completion in 2020 with an agreed value between the developer and the group of £52m. Further consideration is also receivable contingent on certain development overage outcomes. The group expects to recognise a net gain on disposal of the above assets of £32.5m in its 30 June 2019 financial statements. The land to be disposed of under the amended and restated Development Agreement has accordingly been presented as stock in these financial statements. The value ascribed to Griffin Park in the DA is £35.7m and this will give rise to a deferred tax charge on the valuation uplift of £2.9m. Shareholder loans in subsidiary undertakings totalling £19m were repaid on 20th August 2018.

Directors

The directors of the company during the year were:

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

Directors' responsibilities

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

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

Brentford FC Limited

Report of the directors for the year ended 30 June 2018

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

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

On behalf of the board



C. Crown
Chairman

28 January 2019

Brentford FC Limited

Independent auditor's report

Opinion

We have audited the financial statements of Brentford FC Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity, the consolidated and company statements of financial position, the consolidated cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Brentford FC Limited

Independent auditor's report

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and 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 the Report of the Directors.

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

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

Responsibilities of Directors

As explained more fully in the Directors' 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 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Brentford FC Limited

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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 Parent 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

22 February 2019

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

Brentford FC Limited

Consolidated statement of comprehensive income for the year ended 30 June 2018

	Note	Operations excluding player trading 2018 £	Player trading 2018 £	Total Year ended 30 June 2018 £	Total Year ended 30 June 2017 £
Turnover	2	12,742,163	-	12,742,163	12,696,094
Operating expenses		(25,842,135)	(5,626,607)	(31,468,742)	(26,914,238)
Other operating income		242,683	-	242,683	590,530
Gain on disposal of players' registrations	5	-	14,068,555	14,068,555	12,773,657
Group operating loss	3	(12,857,289)	8,441,948	(4,415,341)	(853,957)
Interest receivable and similar income	8			740,521	170,365
Interest payable and similar charges	9			(185,636)	(358,146)
Loss on ordinary activities before taxation				(3,860,456)	(1,041,738)
Tax				(295)	-
Loss for the financial year *				(3,860,751)	(1,041,738)
<i>Other comprehensive income:</i>					
Deferred taxation				-	162,777
Other comprehensive income for the year				-	162,777
Total comprehensive expense for the year *				(3,860,751)	(878,961)

All amounts relate to continuing activities.

* The loss for the year and the total comprehensive expense for the year include £114 attributable to a non-controlling interest.

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

Brentford FC Limited

Consolidated statement of changes in equity at 30 June 2018

Notes	Called-up share capital	Revaluation reserve	Profit and loss account	Non- controlling interests	Total
At 01 July 2016	38,486,633	16,277,786	(42,696,863)	(1,249)	12,066,307
<i>Comprehensive expense for the year:</i>					
Loss for the year	-	-	(1,040,939)	(799)	(1,041,738)
Other comprehensive income	-	-	162,777	-	162,777
Total comprehensive expense for the year	-	-	(878,162)	(799)	(878,961)
<i>Contributions by, and distributions to, owners:</i>					
Capital Redistribution	-	-	(8,589,104)	-	(8,589,104)
Total contributions by, and distributions to, owners	-	-	(8,589,104)	-	(8,589,104)
At 30 June 2017	38,486,633	16,277,786	(52,164,129)	(2,048)	2,598,242
At 01 July 2017	38,486,633	16,277,786	(52,164,129)	(2,048)	2,598,242
<i>Comprehensive expense for the year:</i>					
Loss for the year	-	-	(3,860,637)	(114)	(3,860,751)
Total comprehensive expense for the year	-	-	(3,860,637)	(114)	(3,860,751)
<i>Contributions by, and distributions to, owners:</i>					
Capital Contribution	17	-	999,137	-	999,137
Total contributions by, and distributions to, owners	-	-	999,137	-	999,137
At 30 June 2018	38,486,633	16,277,786	(55,025,629)	(2,162)	(263,372)

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

Brentford FC Limited

Company statement of changes in equity at 30 June 2018

Notes	Called-up share capital	Revaluation reserve	Profit and loss account	Total
At 01 July 2016	38,486,633	16,277,786	(44,058,488)	10,705,931
<i>Comprehensive expense for the year:</i>				
Loss for the year	-	-	(1,187,403)	(1,187,403)
Other comprehensive income	-	-	162,777	162,777
Total comprehensive expense for the year	-	-	(1,024,626)	(1,024,625)
<i>Contributions by, and distributions to, owners:</i>				
Capital Redistribution	-	-	(8,589,104)	(8,589,104)
Total contributions by, and distributions to, owners	-	-	(8,589,104)	(8,589,104)
At 30 June 2017	38,486,633	16,277,786	(53,672,218)	1,092,201
At 01 July 2017	38,486,633	16,277,786	(53,672,218)	1,092,201
<i>Comprehensive expense for the year:</i>				
Loss for the year	-	-	(3,652,785)	(3,652,785)
Total comprehensive expense for the year	-	-	(3,652,785)	(3,652,785)
<i>Contributions by, and distributions to, owners:</i>				
Capital Contribution	17	-	999,137	999,137
Total contributions by, and distributions to, owners	-	-	999,137	999,137
At 30 June 2018	38,486,633	16,277,786	(56,325,866)	(1,561,447)

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

Brentford FC Limited

Consolidated statement of financial position at 30 June 2018

		30 June 2018	30 June 2018	30 June 2017	30 June 2017
	Note	£	£	£	£
Fixed assets					
Intangible assets	11		13,690,109		9,320,954
Tangible assets	12		<u>32,572,389</u>		<u>54,748,322</u>
			46,262,498		64,069,276
Current assets					
Stocks	14	31,318,731		58,865	
Debtors	15	10,491,463		8,445,816	
Debtors: amounts falling due after one year	15	1,783,890		2,479,339	
Cash at bank and in hand		<u>1,059,523</u>		<u>1,329,642</u>	
		44,653,607		12,313,662	
Creditors: amounts falling due within one year	16		<u>(48,996,707)</u>		<u>(43,823,148)</u>
Net current liabilities			<u>(4,343,100)</u>		<u>(31,509,486)</u>
Total assets less current liabilities			41,919,398		32,559,790
Creditors: amounts falling due after more than one year	17		(35,187,418)		(27,194,324)
Provisions	19		<u>(6,995,352)</u>		<u>(2,767,224)</u>
Net (liabilities)/assets			<u>(263,372)</u>		<u>2,598,242</u>


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

Brentford FC Limited

Consolidated statement of financial position at 30 June 2018 (continued)

	Note	30 June 2018	30 June 2018	30 June 2017	30 June 2017
		£	£	£	£
Capital and reserves					
Called up share capital	20		38,486,633		38,486,633
Revaluation reserve			16,277,786		16,277,786
Profit and loss account			<u>(55,025,629)</u>		<u>(52,164,129)</u>
Shareholders' (deficit)/funds			(261,210)		2,600,290
Non-controlling interest			<u>(2,162)</u>		<u>(2,048)</u>
			<u>(263,372)</u>		<u>2,598,242</u>

The financial statements were approved by the board of directors and authorised for issue on 28 January 2019


C Crown FCA (Chairman)
Director

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

Brentford FC Limited

Company statement of financial position at 30 June 2018

<i>Company number 03642327</i>	Note	30 June 2018	30 June 2018	30 June 2017	30 June 2017
		£	£	£	£
Fixed assets					
Intangible assets	11		13,690,109		9,320,954
Tangible assets	12		19,768,812		19,950,199
Fixed asset investments	13		<u>517,052</u>		<u>517,052</u>
			33,975,973		29,788,205
Current assets					
Stocks	14	192,476		58,865	
Debtors	15	10,216,272		8,393,802	
Debtors: amounts falling due after one year	15	1,783,890		2,479,339	
Cash at bank and in hand		<u>1,027,978</u>		<u>1,164,647</u>	
		13,220,616		12,096,653	
Creditors: amounts falling due within one year	16		<u>(10,803,394)</u>		<u>(10,831,109)</u>
Net current assets			<u>2,417,222</u>		<u>1,265,545</u>
Total assets less current liabilities			36,393,195		31,053,750
Creditors: amounts falling due after more than one year	17		(35,187,418)		(27,194,324)
Provisions: deferred tax	19		<u>(2,767,224)</u>		<u>(2,767,224)</u>
Net (liabilities)/assets			<u>(1,561,447)</u>		<u>1,092,202</u>

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

Brentford FC Limited

Company statement of financial position at 30 June 2018 (continued)

	Note	30 June 2018	30 June 2018	30 June 2017	30 June 2017
		£	£	£	£
Capital and reserves					
Called up share capital	20		38,486,633		38,486,633
Revaluation reserve			16,277,786		16,277,786
Profit and loss account			<u>(56,325,866)</u>		<u>(53,672,217)</u>
Shareholders' funds			<u>(1,561,447)</u>		<u>1,092,202</u>

The company has taken advantage of section 408 of the Companies Act 2006 and has not included an income statement in these financial statements. The parent company's loss for the year was £3,652,785 (2017: loss of £1,187,403).

The financial statements were approved by the board of directors and authorised for issue on 28 January 2019.


C Crown FCA (Chairman)
Director

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

Brentford FC Limited

Consolidated cashflow statement for the year ended 30 June 2018

	Note	Year ended 30 June 2018 £	Year ended 30 June 2018 £	Year ended 30 June 2017 £	Year ended 30 June 2017 £
Cash flows from operating activities					
Loss for the year		(3,860,456)		(1,041,738)	
Adjusted for:					
Depreciation and impairment of fixed assets	12	677,680		592,738	
Amortisation of intangible assets	11	5,626,607		4,294,603	
Gain on disposal of intangible assets		(14,068,555)		(12,773,657)	
(Increase)/decrease in stocks		(133,611)		111,328	
(Increase)/decrease in debtors		(207,134)		238,884	
Increase/(decrease) in creditors		1,091,387		(3,162,585)	
Interest receivable	8	(740,521)		(170,365)	
Interest payable	9	185,636		358,146	
Tax expense		295		-	
<i>Cash outflow from operations</i>		<u>(11,428,672)</u>		<u>(11,552,646)</u>	
Interest paid		(86,672)		(358,146)	
Tax paid		(295)		-	
Net cash outflow from operating activities		(11,515,639)		(11,910,792)	
Cash flows from investing activities					
Purchases of tangible fixed assets		(4,482,276)		(4,322,047)	
Purchases of intangible assets		(11,463,687)		(5,733,380)	
Proceeds from sale of intangible assets		14,912,027		10,698,961	
Net cash inflow (used in)/ generated from investing activities		(1,033,936)		643,534	
Cash flows from financing activities					
New loans	17	12,287,231		11,743,874	
Net cash inflow from financing activities		12,287,231		11,743,874	
Net (decrease)/increase in cash and cash equivalents		(262,344)		476,616	
Cash and cash equivalents at beginning of year		1,321,867		845,251	
Cash and cash equivalents at end of year		1,059,523		1,321,867	
Cash and cash equivalents comprise:					
Cash at bank and in hand		1,059,523		1,329,642	
Bank overdrafts		-		(7,775)	
		<u>1,059,523</u>		<u>1,321,867</u>	

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

1. Accounting Policies

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

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

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Brentford FC Limited and all of its subsidiary undertakings as at 30 June 2018 using the acquisition method of accounting. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

(a) Player impairments

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

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

(b) Onerous contracts

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

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

(c) Deferred taxation

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

Revenue

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

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

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

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow projections. These cash flow projections show a significant net cash outflow for the going concern review period. Having made appropriate enquiries, the financial statements have been prepared on the going concern basis on the grounds that the majority shareholder has indicated his willingness and ability to support the company by providing adequate loan facilities and future equity investment to enable the company to cover projected net cash outflows and therefore to meet its financial obligations as they fall due for a period of at least twelve months from the date on which these financial statements are signed.

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

Provisions

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

Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings and long-term leasehold property, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Freehold land and buildings

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

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

Land and planning costs for the development of a new stadium have been included in tangible fixed assets as an asset in the course of construction. No depreciation is charged as the developments are not complete.

Depreciation

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

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

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

Impairment of fixed assets

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

Valuation of investments

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

Stocks

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

Deferred taxation

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

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

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

Leased assets

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

Pension costs

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

Intangible fixed assets

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

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

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

Financial instruments

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

2 Turnover

	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Analysis by class of business:		
League & FA	6,826,486	6,530,444
Ticketing	3,099,544	3,506,725
Commercial	1,231,257	848,465
Retail	438,498	425,715
Catering	447,652	462,038
Other Football Income (inc televised games)	488,604	637,667
Media and Membership	83,032	159,794
Other income	127,090	125,246
	12,742,163	12,696,094

Turnover arises solely within the United Kingdom.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

3 Operating loss

	Year ended 30 June 2018 £	Year ended 30 June 2017 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	677,680	571,569
Impairment of tangible fixed assets	-	21,169
Amortisation of intangible fixed assets	5,626,607	4,294,603
Hire of other assets - operating leases	203,976	206,811
Fees payable to the company's auditor (see note 4 below)	49,445	49,411

4 Auditors' remuneration

	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Audit fee	32,953	23,158
Audit related services	-	3,587
Tax compliance services	16,492	22,666
	49,445	49,411

5 Gain on disposal of players' registrations

	Year Ended 30 June 2018 £	Year ended 30 June 2017 £
Gain on disposal of players' registrations	14,068,555	12,773,657

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

6 Directors' and key management personnel remuneration

Directors received £97,916 in emoluments during the current year (2017 - £107,898). Details of amounts paid to Smartodds Limited, a related party, for the services of individuals who are directors of the company in connection with the management of the affairs of the group, are included in note 23.

Amounts totalling £749 were paid to the group's defined contribution pension scheme relating to directors during the year (2017 - £424).

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

7 Employees

Staff costs (including directors) consist of:

	Group 30 June 2018	Group 30 June 2017	Company 30 June 2018	Company 30 June 2017
	£	£	£	£
Wages and salaries	15,263,052	12,982,663	15,208,441	12,885,310
Social security costs	1,898,212	1,662,508	1,891,983	1,655,922
Other pension costs	46,179	24,853	45,955	24,604
	17,207,443	14,670,024	17,146,379	14,565,836

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

	Group 30 June 2018	Group 30 June 2017	Company 30 June 2018	Company 30 June 2017
	£	£	£	£
Administration and commercial staff	40	41	39	38
Playing and training staff	79	91	79	91
	119	132	118	129

8 Interest receivable and similar income

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Unwinding of discount on player debtors	740,521	170,365
	740,521	170,365

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

9 Interest payable and similar charges

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Other interest payable	57,574	79,557
Unwinding of discount on player creditors	98,964	-
Interest on factoring	29,098	278,589
	185,636	358,146

10 Taxation on loss on ordinary activities

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

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

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Loss on ordinary activities before tax	(3,860,456)	(1,041,738)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 – 19.75%)	(733,487)	(205,743)
Effect of:		
Depreciation for year in excess of capital allowances	523,737	107,092
Tax losses carried forward for which no deferred tax asset has been recognised	209,750	98,651
Total tax charge for the year	-	-

The group has unrelieved losses at 30 June 2018 of approximately £57.9m (2017 - £56.2m) which are available to be carried forward and offset against future trading profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of the availability of future trading profits.

Brentford FC Limited

Notes forming part of the financial statements
for the year ended 30 June 2018

11 Intangible fixed assets

Group and company

	Player Registrations £
<i>Cost</i>	
At 1 July 2017	18,264,939
Additions	11,340,741
Disposals	<u>(5,584,236)</u>
At 30 June 2018	<u>24,021,444</u>
<i>Amortisation</i>	
At 1 July 2017	8,943,985
Provided for the year	5,626,607
Disposals	<u>(4,239,257)</u>
At 30 June 2018	<u>10,331,335</u>
<i>Net book value</i>	
At 30 June 2018	<u>13,690,109</u>
At 30 June 2017	<u>9,320,954</u>

Brentford FC Limited

Note forming part of the financial statements
for the year ended 30 June 2018

12 Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Pitch turfing and drainage £	Long term leasehold £	Assets in the course of construction £	Total £
<i>Cost or valuation</i>								
At 1 July 2017	18,718,638	1,889,525	2,133,663	702,074	838,873	15,672,842	19,004,607	58,960,222
Additions	-	-	381,535	73,526	15,209	-	9,157,732	9,628,002
Transfer to stock	-	-	-	-	-	(15,672,842)	(15,453,413)	(31,126,255)
At 30 June 2018	18,718,638	1,889,525	2,515,198	775,600	854,082	-	12,708,926	37,461,969
<i>Depreciation and impairment</i>								
At 1 July 2017	-	1,889,525	1,493,484	549,031	279,860	-	-	4,211,900
Provided for the year	-	-	409,006	80,326	188,348	-	-	677,680
At 30 June 2018	-	1,889,525	1,902,490	629,357	468,208	-	-	4,889,580
<i>Net book value</i>								
At 30 June 2018	18,718,638	-	612,708	146,243	385,874	-	12,708,926	32,572,389
At 30 June 2017	18,718,638	-	640,179	153,043	559,013	15,672,842	19,004,607	54,748,322

Brentford FC Limited

Note forming part of the financial statements
for the year ended 30 June 2018

12 Tangible fixed assets (continued)

Company

	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Pitch turfing and drainage £	Assets in the course of construction £	Total £
<i>Cost or valuation</i>							
At 1 July 2017	18,600,000	1,889,525	2,130,049	699,880	838,873	-	24,158,327
Additions	-	-	381,534	73,526	15,209	24,955	495,224
At 30 June 2018	18,600,000	1,889,525	2,511,583	773,406	854,082	24,955	24,653,551
<i>Depreciation and impairment</i>							
At 1 July 2017	-	1,889,525	1,490,989	547,754	279,860	-	4,208,128
Provided for the year	-	-	408,477	79,786	188,348	-	676,611
At 30 June 2018	-	1,889,525	1,899,466	627,540	468,208	-	4,884,739
<i>Net book value</i>							
At 30 June 2018	18,600,000	-	612,117	145,866	385,874	24,955	19,768,812
At 30 June 2017	18,600,000	-	639,060	152,126	599,013	-	19,950,199

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

12 Tangible fixed assets (continued)

The freehold land and buildings, the stadium Griffin Park, remains included as a tangible fixed asset for the remainder of its useful life to the club as a football stadium, whereupon it will be disposed of to a third party developer under the agreements entered into as explained in Note 24.

The company's freehold land and buildings at Griffin Park were valued by Jones Lang LaSalle, an independent firm of chartered surveyors, on 7 July 2016 using an open market basis and reflecting the grant of conditional planning approval for the redevelopment of Griffin Park. In the view of the directors, having given the matter appropriate consideration, this valuation remains appropriate at 30 June 2018.

The net book value of Freehold land and buildings and Long-term leasehold property are detailed as follows:

	Group 30 June 2018 £	Group 30 June 2017 £	Company 30 June 2018 £	Company 30 June 2017 £
Historic cost	15,541,822	15,541,822	2,322,214	2,322,214
Revaluation	16,277,786	16,277,786	16,277,786	16,277,786
	31,819,608	31,819,608	18,600,000	18,600,000

13 Fixed asset investments

Company

	Group undertakings £	Loans £	Total £
<i>Cost or valuation</i> At 1 July 2017	52,604	464,448	517,052
At 30 June 2018	52,604	464,448	517,052

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

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

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

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

14 Stocks

	Group 30 June 2018 £	Group 30 June 2017 £	Company 30 June 2018 £	Company 30 June 2017 £
Raw materials and consumables	10,588	8,146	10,588	8,146
Merchandise	220,553	232,012	220,553	232,012
Stock provision	(38,665)	(181,293)	(38,665)	(181,293)
Land	31,126,255	-	-	-
	31,318,731	58,865	192,476	58,865

The total of stock recognised as an expense in the year was £298,783 (2017: £324,215).

15 Debtors

	Group 30 June 2018 £	Group 30 June 2017 £	Company 30 June 2018 £	Company 30 June 2017 £
Trade debtors	714,718	393,686	698,934	383,976
Other debtors	292,375	51,261	28,607	15,406
Prepayments and accrued income	787,142	1,142,154	791,503	1,135,705
Player debtors	10,481,118	9,338,054	10,481,118	9,338,054
	12,275,353	10,925,155	12,000,162	10,873,141

Included in player debtors above are amounts falling due after one year of £1,783,890 (2017: £2,479,339).

16 Creditors: amounts falling due within one year

	Group 30 June 2018 £	Group 30 June 2017 £	Company 30 June 2018 £	Company 30 June 2017 £
Bank loans and overdrafts (secured)	-	7,775	-	7,775
Other shareholder loans (secured)	35,820,242	32,525,242	2,240,954	2,240,954
Trade creditors	1,639,637	885,035	473,195	592,643
Player creditors	2,706,838	2,829,783	2,706,838	2,829,783
Taxation and social security	704,709	1,159,590	872,544	1,278,646
Other creditors	703,779	689,774	703,774	693,237
Progress payments received	2,500,000	2,500,000	-	-
Deferred income	2,174,638	1,784,246	2,174,637	1,784,246
Accrued expenses	2,746,864	1,441,703	1,631,452	1,403,825
	48,996,707	43,823,148	10,803,394	10,831,109

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

17 Creditors: amounts falling due after more than one year

	Group 30 June 2018	Group 30 June 2017	Company 30 June 2018	Company 30 June 2017
	£	£	£	£
Shareholder's loans (secured)	<u>35,187,418</u>	<u>27,194,324</u>	<u>35,187,418</u>	<u>27,194,324</u>

All loans will become payable after a continually-rolling notice period of 367 days, if called. The capital contribution of £999,137 included as a change in equity arises as an effect of discounting the shareholder loans advanced to Brentford FC during the year at a rate of 12.5% over the rolling 367 day term.

The gross amount of shareholder loans due after more than one year due at 30 June 2018 totalled £39,585,845 (2017: £30,593,615).

Total funds advanced to the group during the year were £12,287,231 (2017: £11,743,874), of which £8,992,230 is due after more than one year.

18 Deferred taxation

	30 June 2018	30 June 2017
	£	£
<i>Unrecognised deferred tax assets</i>		
Depreciation in advance of capital allowances	1,143,879	620,142
Tax losses	<u>9,765,000</u>	<u>9,554,000</u>
	<u>10,908,879</u>	<u>10,174,142</u>

Recognised deferred tax liability

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

The deferred tax liability of £2,767,224 (2017: £2,767,224) relating to the unrealised gain on the revaluation of the freehold stadium is the maximum amount payable if the property were to be sold at the valuation of £18,600,000.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

19 Provisions

Group:

	2018			2017		
	Deferred tax £	Stock £	Total £	Deferred tax £	Stock £	Total £
At 1 July 2017	2,767,224	-	2,767,224	2,930,001	-	2,930,001
Release	-	-	-	(162,777)	-	(162,777)
Provision	-	4,228,128	4,228,128	-	-	-
At 30 June 2018	2,767,224	4,228,128	6,995,352	2,767,224	-	2,767,224

Company:

	2018		2017	
	Deferred tax £	Total £	Deferred tax £	Total £
At 1 July 2017	2,767,224	2,767,224	2,930,001	2,930,001
Release	-	-	(162,777)	(162,777)
Provision	-	-	-	-
At 30 June 2018	2,767,224	2,767,224	2,767,224	2,767,224

The company has a provision relating to deferred tax, as detailed in note 18, totalling £2,767,224. The group has also recognised a provision related to a probable obligation for further payments for land included as part of stock, totalling £4,228,128.

20 Share capital

	30 June 2018 £	30 June 2017 £
<i>Allotted, called up and fully paid</i>		
557,281 (2017: 557,281) Ordinary shares of £25 each	13,932,025	13,932,025
24,554,608 (2017: 24,554,608) Preference shares of £1 each	24,554,608	24,554,608
1 (2017: 1) BU Special share of 1 pence each	-	-
	38,486,633	38,486,633

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

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

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

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

21 Contingent liabilities

The group has entered into contractual agreements regarding player purchases from other clubs which include certain contingent liabilities. These liabilities are triggered based on players reaching certain milestones in terms of appearances for the first team or Brentford FC being promoted to the Premier League. These contingent liabilities total £3,484,750.

22 Commitments under operating leases

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

	30 June 2018 £	30 June 2017 £
Not later than 1 year	400,524	203,976
Later than 1 year and not later than 5 years	928,167	300,907
	<hr/> 1,328,691	<hr/> 504,883

23 Related party disclosures

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

Bees United has made interest free loans totalling £679,911 (2017: £679,911) to the company at the year end of which £402,000 (2017: £402,000) is secured by legal charges over the company's freehold property. The loan is repayable in full on demand.

A further balance of £7,711 (2017: £7,326) is owed to Bees United which is unsecured.

Mr M Benham is a director of the Company and majority shareholder of Smartodds Limited from which Brentford FC Limited made purchases of £459,838 (of which £219,955 pertained to services of individuals who are directors of the Company). All transactions were conducted on an arm's length basis on normal trading terms. At 30 June 2018, there was an outstanding balance of £564 (2017: £63,993).

Mr M Benham has made loans to Brentford FC Ltd and Lionel Road Developments Ltd of £76,085,988 (2017: £60,877,903). No interest has been charged on these loans in the current or previous years. However, the carrying value of these loans in the balance sheets of the group and company reflects the FRS 102 requirement that all loans made to the company be initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Other transactions with and in respect of key management personnel

Subsidiary undertakings of the company paid £27,819 (2017: £105,253) for professional services to Briburg Ltd, a company in which B Burgess is materially interested as a shareholder and while he was a director of the subsidiary undertakings during the year.

Subsidiary undertakings of the company paid £199,256 (2017: nil) to Smartodds Ltd for services provided by a director of the subsidiary.

Brentford FC Limited

Notes forming part of the financial statements for the year ended 30 June 2018

24 Subsequent events

Post year end, the group entered in to an amended and re-stated Development Agreement ("DA") with a third party developer for the new stadium through Lionel Road Developments Ltd, a subsidiary of the company. The agreement incorporates the transfer of various pieces of land (the Central Eastern site at Lionel Road, the Central Southern site at Lionel Road, the Duffy site and the Capital Court site) to the developer by the group, including its existing stadium at Griffin Park, in consideration for cash payments in instalments totalling £30m (of which £2.5m was received during 2014 and £20m was received on 20th August 2018) and a newly constructed stadium at Lionel Road scheduled for completion in 2020 with an agreed value between the developer and the group of £52m. Further consideration is also receivable contingent on certain development overage outcomes. The group expects to recognise a net gain on disposal of the above assets of £32.5m in its 30 June 2019 financial statements. The land to be disposed of under the amended and restated Development Agreement has accordingly been presented as stock in these financial statements. The value ascribed to Griffin Park in the DA is £35.7m and this will give rise to a deferred tax charge on the valuation uplift of £2.9m. Shareholder loans in subsidiary undertakings totalling £19m were repaid on 20th August 2018.