

REGISTERED NUMBER: 03642327 (England and Wales)

Annual Report and Financial Statements
for the Year Ended 30 June 2020
for
Brentford FC Ltd

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for the Year Ended 30 June 2020**

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Brentford FC Ltd
Company Information
for the Year Ended 30 June 2020

Directors:

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

Secretary:

L J Skelhorn

Registered office:

27 Great West Road
Brentford
TW8 9BW

Registered number:

03642327 (England and Wales)

Auditors:

BDO LLP
55 Baker Street
London
W1U 7EU

**Chairman's Report
for the Year Ended 30 June 2020**

Executive Summary

The 2019/20 season was completely overshadowed by the Covid-19 pandemic, which caused massive upheaval in all aspects of the game, including the ultimate extension of the fixture schedule, and the exclusion of fans from stadia. For us, this was particularly disappointing, as it meant that we had to abandon all our plans to share with our fans our departure from Griffin Park after 116 years and celebrate our move to our new stadium.

Despite a long mid-season hiatus, this was our most successful campaign for 73 years as we reached the Championship play-off final, which we narrowly lost in extra time.

Off the field, too, we saw great progress, with not only the completion of the new stadium, but also further profitable business completed in the transfer market. There is always some apprehension among supporters when talented players move on, but the pattern of the last few seasons, built upon the foundations of excellent recruitment and player development, has demonstrated that we have been stronger year on year, while remaining financially sustainable.

The Season

A normal EFL season lasts from August until May and the fixtures are completed well before the end of the club's financial reporting period in June. The disruption to EFL fixtures caused by the effects of the COVID-19 virus meant that the 2019-2020 season had not been completed by the end of June 2020. Therefore my report looks first at the period of the season, which fell within this financial reporting period, and then on subsequent developments.

June 2019-June 2020

The summer of 2019 saw a major overhaul of the squad, with nine players leaving and nine joining. Neal Maupay, Romaine Sawyers, Dan Bentley, and Ezri Konsa were the highest profile departures. As usual, given the wide field from which we now recruit, there were a lot of unfamiliar names on the incoming list, including Bryan Mbeumo, Joel Valencia, Christian Norgaard, and Matthias Jensen, the last two better known to our Danish coaching staff. David Raya arrived from Blackburn as our new first choice goalkeeper, and our defence was further strengthened by the arrival of Ethan Pinnock, player of the year at Barnsley and in the League One team of the year, and Pontus Jansson from Leeds. In view of our pattern of recruiting and polishing young talent, this last recruit was something of a surprise to fans, but the leadership qualities he brought to a young squad, as well as his unquestioned quality as a Championship central defender, were to prove invaluable throughout the season. Much was made on social media about the lack of a centre forward but the back room staff felt confident that Ollie Watkins could move to a central position and fill the large gap left by Neal Maupay's departure to Brighton.

The season's opening game was at home to Birmingham and, despite hitting the woodwork three times we lost 1-0. It was disappointing but we were all confident results would pick up following such a dominant performance. We went out of the Carabao Cup, in the first round. Despite a first win in some 80 years away to Middlesbrough in the next league game, we found ourselves slipping down the league over the ensuing few weeks, and searching for the spark to set our season alight. It came in the home game against Millwall in mid-October, where, from a seemingly hopeless position, we scored three goals in the last eleven minutes (five of which minutes were in added time) to win 3 - 2. This win appeared to galvanise the team and was followed by two away wins at Swansea and QPR, scoring three goals in each, with the front line of Benrahma, Mbeumo and Watkins earning the "BMW" nickname and a reputation for terrorising defences.

**Chairman's Report
for the Year Ended 30 June 2020**

Our own defence, which had been a weakness in the previous seasons was now one of the meanest in the league, and, justifying all the faith put in him by the coaching staff, Ollie Watkins was scoring freely. By the time we beat Fulham 1-0 in mid-December we were in the top 6, where we remained for the rest of the season. Our performances were characterised by fast fluent football and obdurate defending. Pinnock and Jansson formed a very strong defensive partnership, and Norgaard was imperious in midfield, breaking up play and superbly supported by Jensen and Josh da Silva. The 7-0 demolition of the newly promoted Luton only served to illustrate the potency of the attack, and the year ended with another 12 goals scored and only six conceded. The game against Bristol City on New Year's Day saw Said Benrahma at his cheekiest and most bewildering best, with trickery on the ball that drew gasps from everyone there and from those who watched it subsequently on recorded highlights.

The mid-season transfer window passed without any significant departures, much to the relief of all supporters, and the arrival of Halil Dervisoglu, who had been signed in the summer, as well as Shandon Baptiste and Tariqe Fosu-Henry from Oxford United. The new year also saw the return of Emiliano Marcondes to the team. He had spent the first half of the season on loan at FCM in Denmark in order to get some much needed playing time. He marked his return with a wonderful strike from a direct free kick to secure victory in the FA Cup tie against Stoke. And so further strength and flair was added to our attacking threat. In the next round of the Cup, Brentford were narrowly defeated by an almost full strength Leicester City, in our last ever FA Cup tie at Griffin Park.

Meanwhile in the Championship, following the victory against QPR in mid-January, we started to struggle to reach the heights of the previous months. Pontus Jansson was sidelined by an injury through this period, and his absence was keenly felt. The loss away to Luton on a wet and ultimately snowy evening in February was a real blow to automatic promotion ambitions, coming as it did on the back of three hard fought draws. Covid 19 was now being seen as a real threat to normal daily life in the UK but few of us realised that the 5-0 victory at home to Sheffield Wednesday on 7th March was to be our final game for months and our last ever in front of fans at Griffin Park.

The EFL did not resume until 20th June when we played behind closed doors at Fulham. There were to be two more games in June, also without fans present, and in all three games in the month we were successful.

Reflecting on the 12 months that ended in June 2020 we benefited from a settled backroom staff with both Thomas Frank and Neil MacFarlane overseeing their squads for their third and second season in charge respectively. One notable recruit was Lee Dykes who arrived to head up our recruitment of new players. The success of our business model and particularly the development of players naturally drew attention to our coaching staff, and over the season we saw both our set piece coach, Nicolas Jover, and our goal keeping coach, Inaki Cana, depart to leading Premier League clubs. As with our players who move onwards and upwards, it is a form of flattery.

Off the field, Jon Varney and his staff had much more to contend with than they could possibly have imagined at the start of last season.

**Chairman's Report
for the Year Ended 30 June 2020**

With the new stadium scheduled to be ready for the start of the 2020/21 season, it was clear in the summer of 2019 that a huge amount of work was needed to ensure we were ready for the move. The operations team led by Alan Walsh had already been working on both sites for some time, and the latter part of the season was focused on tying up catering and service contracts and selecting the furniture and fittings. On top of that, the biggest challenge was to fill the new stadium seats, particularly the 2000+ premium seats that would help to make the club more financially sustainable in the future. A new reservation centre was opened next to the Steam Museum and, for the six months until Covid intervened, the commercial and venue operations team worked tirelessly to manage the migration of existing season ticket holders to new seats in the new stadium, and made countless presentations to potential corporate partners. By May 2020 we were able to announce over 10,000 season ticket sales and over 1,000 premium seats sold. It was therefore a positive end to the financial reporting period amidst all the uncertainty about the season.

Remainder of 2019-2020 season (July -August 2020)

When football resumed behind closed doors we were faced with the prospect of probably having to win all of our last nine games to secure automatic promotion. The quality of the football played by the team over this very intense and condensed schedule was a testament to the hard work done by the coaching staff and especially the players throughout lockdown. As it turned out, after seven straight wins post lockdown, and with expectations of automatic promotion at a crescendo, the losses to Stoke and Barnsley proved decisive, and particularly galling was the knowledge, when the dust settled, that a draw in either of those games would have secured promotion, WBA having gained only one point from their last three games.

The final drama of the season was in three acts: a very tense away match in Swansea, with a red card for Rico Henry, subsequently overturned, and ultimately a one nil defeat; a much more satisfactory display and win at Griffin Park in our last ever competitive match there, to qualify for a play off final at Wembley against local neighbours, Fulham. Play offs for Brentford have not been happy events (nine and counting) and so it proved again. A disappointing end to a very exciting and otherwise successful season.

Update on 2020-2021 season

Throughout the summer of 2020 work continued under COVID-19 restrictions on the completion of the Brentford Community Stadium in Lionel Road. Thanks to all the work done by our staff and our partners in the project the first match at the stadium took place on 1 September 2020. We drew 2-2 in a pre-season friendly against Oxford United. The first competitive match took place on 6 September when we defeated Wycombe Wanderers in the first round of the EFL Cup and the first EFL Championship game was a 3-0 win against Huddersfield Town. All games were played without fans present. At one point we were confident of having a limited number of fans in the stadium from 1st October, but ultimately we were able to entertain 2000 fans for just two games in December before lockdown measures were re-introduced, which means fans will be absent from all stadiums until probably Spring 2021, at the earliest. Rather than reducing the workload, it only intensified it, as plans had to be redrawn and arrangements made for dealing with 11000+ ticket holders with no prospect of attending games. Huge credit goes to Jon Varney and his team for dealing with all these issues and overcoming all the unexpected difficulties. I should also take this opportunity to thank our fans, 94% of whom chose the option to freeze their season ticket and so save us from the need to refund much needed cash.

The really good news is that, notwithstanding all the issues we have faced, the fact remains that we now have one of the best purpose-built football stadiums in the country. Everyone who has had the good fortune to have been shown around and seen it in action at those two games has been hugely impressed, and we are looking forward to having it full of our supporters watching live football again.

**Chairman's Report
for the Year Ended 30 June 2020**

The impact of the pandemic on the schedule meant that the summer break provided just a few weeks rest for the players before they returned to training and yet despite this we ended calendar year 2020 in 2nd place in the table. This year more than ever the fittest teams and those with fewest injuries to key players are likely to come out on top! The transfer window was opened at the end of the season but ran until mid-October, four games into the new season.

Our team's success inevitably led to media talk but the Club were determined that, with the exception of Ollie Watkins and Said Benrahma, who would be sold if offers met our value, the squad would be kept intact. And so it proved. Watkins and Benrahma were sold and the value of those transactions will be reflected in next year's accounts. Charlie Goode, Northampton's captain in their promotion season, and Ivan Toney, the top scorer in League One with Peterborough, joined to strengthen us at both ends of the pitch. We are now beginning to see that Saman Ghoddos can help fill the gap left by the departure of Said. In the last week of the summer window, Vitaly Janelt also joined from Bochum to bolster our central midfield.

The first few weeks of the season saw us play four rounds of the Carabao Cup, beating four Premier League opponents to create history by reaching the semi-finals for the first time, where we gave a very good account of ourselves in losing 2-0 to Spurs. Notable in these games has been the performances of those with less first team experience, particularly Mads Bech Sorensen and Marcus Forss on their return from loan periods at AFC Wimbledon last season. We have seen further development this season from a number of B team players who have appeared in both Carabao and FA cup ties, including our 1-3 home loss to Leicester City.

Our main priority throughout this period has, of course, been our ambition to achieve promotion from the EFL Championship to the Premier League. A long 21 game unbeaten run, which ended earlier this month, has allowed us to challenge for an automatic promotion place and the prospects look very promising for the second half of the season.

Finance

The financial statements for the year under review show a group operating loss of £34.1m (2019: loss of £3.8m) before player trading. The previous year included an exceptional gain from the transfer of certain land at Lionel Road in accordance with the Development Agreement which contributed a £13.7m accounting profit. In addition, in 2020 Administrative Expenses rose by £13.6m, reflecting higher staff numbers both on and off the field as we strengthened our playing squad and built our off-field organizational capability to leverage the benefit of the new stadium.

The loss before taxation was £9.1m (2019: profit of £24.3m). This reflects the two items discussed above and is struck after gains on disposal of player registrations of £24.9m (2019: £27.2m). The principal contributors to the latter in the financial year ending in June 2020 are noted earlier in my report.

While there has been an inevitable impact due to Covid-19 this was mitigated through utilisation of government support in the form of the Coronavirus Job Retention Scheme, receipt of an interest free loan from the EFL, deferral of player wages and staff salaries and factoring of receivables on player sales. The factoring of player receivables has resulted in an increase in cash balances as well as associated liabilities as the cash was received before the year end. However as there is recourse against the Club if the debtors do not make payments to the lenders, the Club retains the liability on its balance sheet.

**Chairman's Report
for the Year Ended 30 June 2020**

Matthew Benham's total investment in the group at 30 June 2020, comprised of equity as well as loans, stood at £103.0m (2019: £100.1m). This sum includes £21.3m (2019: £19.6m) of secured loans specifically in relation to the Brentford Community Stadium project.

Conclusion

The 2019/20 season saw Brentford FC achieve its highest position for 73 years, scoring the most goals and conceding just one more than champions Leeds, narrowly missing out on automatic promotion. We attracted plaudits from competitors and the media for the quality of the football we played, and the entertainment we provided. The long-awaited new stadium is a ground we can be very proud of and is ready for fans when they are allowed back to watch, and we have almost doubled our season ticket sales and sold over 1100 premium seats.

This is a very difficult time for Brentford FC and for football in general, but our prudent financial approach and overall business model has put us in perhaps better shape than many. We are ready for the resumption of live football in full stadiums and we are firmly focused on achieving our aim of playing Premier League football in our Community Stadium.

It only remains for me to thank my fellow Board members and all the staff in helping us achieve so much in such a difficult year.



Cliff Grown FCA
Chairman
26/02/2021

**Group Strategic Report
for the Year Ended 30 June 2020**

The directors present their strategic report of the company and the group for the year ended 30 June 2020.

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. On the pitch the Club had a strong 2019/20 season and solidified the Club's Championship status. While the Club has sold two high performing members of the squad subsequent to year end the Club has replaced these players. When recruiting new players the key is to ensure they are 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. The Club will not shy away from selling players, when it is considered appropriate to do so, but only when the right valuation has been met and this continues to be a part of our success story.

There are several risks and uncertainties inherent within football, of which Brentford FC is not an exception. The key areas of risk are considered to be:

- Reliance on the First Team's performance to at least 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, now more so than ever;
- Rules and regulations of applicable football governing bodies, particularly those relating to Profit & Sustainability;
- Risks associated with reliance upon finance from Brentford FC's owner to fund operations;
- In 19/20, League and FA income of £6.4m (18/19: £8.2m), which are outside the Club's direct control, represent 46% of the Club's total income;
- Impact of Brexit affecting the transfer of players to, or from, the EU; and
- Managing working capital and tax affairs that require complex forecasting and scenario planning.

The above risks have been mitigated as follows:

- Quality players have been bought to replace those that have moved on and the squad depth remains strong.
- Additional staff have been recruited to help with the growing nature of the organisation.
- There is a large emphasis by the club on fan engagement throughout the pandemic to ensure they will return when the time comes.
- The Club has a proactive approach to any changes in the regulatory environment.
- There is a growing focus by the club to bring in funds through other revenue streams.
- As part of the Club's financial sustainability strategy the Club is seeking to build on the commercial revenue generating activities that the new stadium provides.
- The implications of Brexit have not as of yet adversely impacted the Club and the Club has qualified legal counsel that are on hand to assist with any complexities that arise in transfer of players to, or from, the EU.
- The maintaining of detailed cash forecasts including appropriate sensitivities.

**Group Strategic Report
for the Year Ended 30 June 2020**

Business review

Brentford FC uses a variety of key performance indicators in order to monitor and manage the business effectively.

Indicator	2019/20	2018/19	% Change
Turnover (£m)	13.9	15.2	-8.5%
Operating (loss)/profit (£m)	(9.2)	23.4	-139%
Season tickets (number pre lock down)	6,593	5,757	+15%
Average attendance per game (number pre lock down)	11,696	11,265	+4%
Final position in Championship	3rd	11th	

Turnover shrunk by 8.5% in the year to £13,907,248 (2019: £15,249,985) on the back of the pandemic and lock downs resulting in the final 5 home games (excluding play-offs) being played behind closed doors and broadcasting income which will be recognised in 2020/21 due to the season finishing after 30 June 2020.

The Group produced an operating loss after player trading in the year of £9,199,063 (2019: profit of £23,428,456). Details of this can be found in the Chairman's Statement.

The Group is in a net asset position of £24,039,397 (2019: £34,224,587).

In light of the impact of Covid-19 the Board made an early decision to raise funds to support the business. This was achieved by raising an advance of cash against certain transfer receivables, which resulted in the large cash balance as at the Balance sheet date.

Consequently the transfer fee loan was recognised in creditors. This, together with the balance of transfer fees payable in respect of the players purchased in the 2019 summer window, created a significant increase in liabilities.

On behalf of the board:



C Crown FCA - Director

Date: 26/2/21

**Report of the Directors
for the Year Ended 30 June 2020**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2020.

Dividends

No dividends will be distributed for the year ended 30 June 2020.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 July 2019 to the date of this report.

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

Donations

Donations made by the Group include donations made to Brentford FC Community Sports Trust as well as a number of smaller donations to various organisations.

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow projections which extend through until the end of the 2021/2022 football season and are in the process of extending these further still.

There are two key sources of finance to the on-going success of the Club and they are success in the player transfer market and the continued support by the shareholder. The Club has made some significant player sales subsequent to year end (See note 24 for details) and while these don't result in immediate cash inflow for the full sales price this allows the Club the flexibility to factor these debtors should the need arise going forward. The Directors are in constant communication with the shareholder and as certain forecast scenarios highlight the need for successful player trading or funding from the shareholder the Directors have received non legally binding assurances from the shareholder that his intention remains to provide further funds to the company and group as required.

However, the Directors have not identified a material uncertainty in this regard. Due to the factors detailed above, and the full detail contained within note 1 to the financial statements, the Directors have considered it appropriate to continue to prepare the financial statements on a going concern basis.

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

**Report of the Directors
for the Year Ended 30 June 2020**

Statement of directors' responsibilities

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

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

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

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

Statement as to disclosure of information to auditors

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

Auditors

The auditors, BDO LLP, have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

On behalf of the board:



.....
C Crown FCA - Director

Date: 26 / 2 / 21

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BRENTFORD FC LTD

Opinion

We have audited the financial statements of Brentford FC Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, 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 2020 and of the Group's loss and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, 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.

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

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

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

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

Responsibilities of Directors

As explained more fully in the Report of the Directors, 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.

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

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 on 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, UK

Date: 1 March 2021

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

**Consolidated Income Statement
for the Year Ended 30 June 2020**

	Notes	30/6/20 £	30/6/19 £
Turnover	2	13,907,248	15,249,985
Administrative expenses		(48,964,342)	(35,334,885)
		(35,057,094)	(20,084,900)
Other operating income	3	<u>1,003,312</u>	<u>16,311,383</u>
Operating loss before player trading	5	(34,053,782)	(3,773,517)
Gain on disposal of players' registrations	6	24,900,057	27,201,973
(Loss) on sale of tangible fixed assets		<u>(45,338)</u>	<u>-</u>
Operating (loss)/profit		(9,199,063)	23,428,456
Interest receivable and similar income	7	1,934,901	1,045,438
Interest payable and similar expenses	8	<u>(1,796,384)</u>	<u>(170,888)</u>
(Loss)/profit before taxation		(9,060,546)	24,303,006
Tax on (loss)/profit	9	<u>(1,255,439)</u>	<u>(4,271,282)</u>
(Loss)/profit for the financial year		<u>(10,315,985)</u>	<u>20,031,724</u>
(Loss)/profit attributable to:			
Owners of the parent		(10,315,985)	20,031,758
Non-controlling interests		<u>-</u>	<u>(34)</u>
		<u>(10,315,985)</u>	<u>20,031,724</u>

The notes form part of these financial statements

**Consolidated Statement of Other Comprehensive Income
for the Year Ended 30 June 2020**

	30/6/20 £	30/6/19 £
(Loss)/profit for the year	(10,315,985)	20,031,724
Other comprehensive income		
Revaluation of freehold property	-	17,100,000
Deferred tax on revaluation	-	(2,907,000)
Adjustment to non-controlling interest	(2,196)	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the year	(2,196)	14,193,000
Total comprehensive income for the year	(10,318,181)	34,224,724
Total comprehensive income attributable to:		
Owners of the parent	(10,320,377)	34,224,758
Non-controlling interests	2,196	(34)
	(10,318,181)	34,224,724

The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2020

	Notes	30/6/20 £	30/6/19 £
Fixed assets			
Intangible assets	11	31,756,444	15,320,259
Tangible assets	12	<u>60,071,734</u>	<u>51,116,756</u>
		<u>91,828,178</u>	<u>66,437,015</u>
 Current assets			
Stocks	14	122,252	125,781
Debtors	15	49,482,489	53,680,981
Cash in hand		<u>16,010,360</u>	<u>2,184,135</u>
		65,615,101	55,970,897
Creditors			
Amounts falling due within one year	16	<u>(72,550,161)</u>	<u>(38,877,476)</u>
Net current (liabilities)/assets		<u>(6,935,060)</u>	<u>17,093,421</u>
Total assets less current liabilities		84,893,118	83,530,436
 Creditors			
Amounts falling due after more than one year	17	(49,023,774)	(38,481,341)
Provisions for liabilities	19	<u>(11,829,947)</u>	<u>(10,824,508)</u>
Net assets		<u>24,039,397</u>	<u>34,224,587</u>

The notes form part of these financial statements

Brentford FC Ltd (Registered number: 03642327)

Consolidated Balance Sheet - continued
30 June 2020

	Notes	30/6/20 £	30/6/19 £
Capital and reserves			
Called up share capital	20	38,486,633	38,486,633
Revaluation reserve		33,377,786	33,377,786
Retained earnings		(47,825,022)	(37,637,636)
Shareholder funds		24,039,397	34,226,783
Non-controlling interests		-	(2,196)
Total equity		<u>24,039,397</u>	<u>34,224,587</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2021 and were signed on its behalf by:



 C Crown FCA - Director

The notes form part of these financial statements

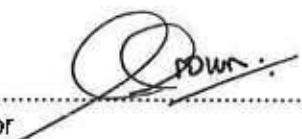
Company Balance Sheet
30 June 2020

	Notes	30/6/20 £	30/6/19 £
Fixed assets			
Intangible assets	11	31,756,444	15,320,259
Tangible assets	12	39,264,695	37,166,457
Investments	13	<u>52,505</u>	<u>52,604</u>
		71,073,644	52,539,320
Current assets			
Stocks	14	122,252	125,781
Debtors	15	25,476,460	28,565,387
Cash in hand		<u>13,215,382</u>	<u>2,153,561</u>
		38,814,094	28,844,729
Creditors			
Amounts falling due within one year	16	<u>(39,482,274)</u>	<u>(12,863,790)</u>
Net current (liabilities)/assets		(668,180)	15,980,939
Total assets less current liabilities		70,405,464	68,520,259
Creditors			
Amounts falling due after more than one year	17	<u>(49,023,774)</u>	<u>(38,481,341)</u>
Provisions for liabilities	19	<u>(11,829,947)</u>	<u>(10,824,508)</u>
Net assets		<u>9,551,743</u>	<u>19,214,410</u>
Capital and reserves			
Called up share capital	20	38,486,633	38,486,633
Revaluation reserve		33,377,786	33,377,786
Retained earnings		<u>(62,312,676)</u>	<u>(52,650,009)</u>
Shareholders' funds		<u>9,551,743</u>	<u>19,214,410</u>
Company's (loss)/profit for the financial year		<u>(9,793,462)</u>	<u>6,319,622</u>

The notes form part of these financial statements

Company Balance Sheet - continued
30 June 2020

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2021 and were signed on its behalf by:


.....
Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 July 2018	38,486,633	(55,025,629)	16,277,786
Changes in equity			
Profit for the year	-	20,031,758	-
Other comprehensive income	-	(2,907,000)	17,100,000
Total comprehensive income	-	17,124,758	17,100,000
Capital Contribution	-	263,235	-
Balance at 30 June 2019	<u>38,486,633</u>	<u>(37,637,636)</u>	<u>33,377,786</u>
Changes in equity			
Loss for the year	-	(10,315,985)	-
Other comprehensive income	-	(2,196)	-
Total comprehensive income	-	(10,318,181)	-
Capital Contribution	-	130,795	-
Balance at 30 June 2020	<u>38,486,633</u>	<u>(47,825,022)</u>	<u>33,377,786</u>

The notes form part of these financial statements

Consolidated Statement of Changes in Equity - continued
for the Year Ended 30 June 2020

	Total £	Non-controlling interests £	Total equity £
Balance at 1 July 2018	(261,210)	(2,162)	(263,372)
Changes in equity			
Profit for the year	20,031,758	(34)	20,031,724
Other comprehensive income	<u>14,193,000</u>	<u>-</u>	<u>14,193,000</u>
Total comprehensive income	34,224,758	(34)	34,224,724
Capital Contribution	<u>263,235</u>	<u>-</u>	<u>263,235</u>
Balance at 30 June 2019	<u>34,226,783</u>	<u>(2,196)</u>	<u>34,224,587</u>
Changes in equity			
Loss for the year	(10,315,985)	-	(10,315,985)
Other comprehensive income	<u>(2,196)</u>	<u>2,196</u>	<u>-</u>
Total comprehensive income	(10,318,181)	2,196	(10,315,985)
Capital Contribution	<u>130,795</u>	<u>-</u>	<u>130,795</u>
Balance at 30 June 2020	<u>24,039,397</u>	<u>-</u>	<u>24,039,397</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 30 June 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 July 2018	38,486,633	(56,325,866)	16,277,786	(1,561,447)
Changes in equity				
Profit for the year	-	6,319,622	-	6,319,622
Other comprehensive income	-	(2,907,000)	17,100,000	14,193,000
Total comprehensive income	-	3,412,622	17,100,000	20,512,622
Capital Contribution	-	263,235	-	263,235
Balance at 30 June 2019	<u>38,486,633</u>	<u>(52,650,009)</u>	<u>33,377,786</u>	<u>19,214,410</u>
Changes in equity				
Loss for the year	-	(9,793,482)	-	(9,793,462)
Total comprehensive income	-	(9,793,482)	-	(9,793,462)
Capital Contribution	-	130,795	-	130,795
Balance at 30 June 2020	<u>38,486,633</u>	<u>(62,312,676)</u>	<u>33,377,786</u>	<u>9,551,743</u>

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 30 June 2020**

	Notes	30/6/20 £	30/6/19 £
Cash flows from operating activities			
Cash generated from operations	1	(7,429,228)	(8,990,719)
Interest paid		(237,025)	(29,514)
Tax paid		-	(703)
Net cash from operating activities		<u>(7,666,253)</u>	<u>(9,020,936)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(20,671,926)	(7,644,739)
Purchase of tangible fixed assets		(3,899,562)	(2,010,041)
Sale of intangible fixed assets		28,382,413	17,583,762
Sale of tangible fixed assets		5,856	-
Sale of land pursuant to the DA		-	16,147,552
Net cash from investing activities		<u>3,816,781</u>	<u>24,076,534</u>
Cash flows from financing activities			
New loans in year		9,459,986	7,222,549
Loan repayments in year		(6,573,000)	(21,173,535)
Proceeds from other secured borrowings		14,224,711	-
Proceeds from other unsecured borrowings		584,000	-
Net cash from financing activities		<u>17,695,697</u>	<u>(13,950,986)</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	2,164,135	1,059,523
Cash and cash equivalents at end of year	2	<u>16,010,360</u>	<u>2,164,135</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2020

1. Reconciliation of (loss)/profit before taxation to cash generated from operations

	30/6/20	30/6/19
	£	£
(Loss)/profit before taxation	(9,060,546)	24,303,006
Depreciation charges	498,334	565,675
Amortisation of intangible assets	11,455,427	6,629,551
Gain on disposal of intangible assets	(24,900,057)	(27,201,973)
Loss/(Profit) on sale of tangible assets	45,338	(13,660,606)
Tax Paid	-	703
Finance costs	1,796,384	170,888
Finance income	(1,934,901)	(1,045,438)
	(22,100,021)	(10,238,194)
Decrease in stocks	3,529	66,695
Decrease/(increase) in trade and other debtors	4,228,746	(4,012,295)
Increase in trade and other creditors	10,438,518	5,193,075
Cash generated from operations	(7,429,228)	(8,990,719)

2. Cash and cash equivalents

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

Year ended 30 June 2020

	30/6/20	1/7/19
	£	£
Cash and cash equivalents	16,010,360	2,164,135

Year ended 30 June 2019

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

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2020**

3. Analysis of changes in net debt

	At 1/7/19 £	Cash flow £	At 30/6/20 £
Net cash			
Cash at bank and in hand	<u>2,164,136</u>	<u>13,846,225</u>	<u>16,010,360</u>
	<u>2,164,136</u>	<u>13,846,225</u>	<u>16,010,360</u>
Debt			
Debts falling due within 1 year	(19,628,302)	(8,756,067)	(28,383,369)
Debts falling due after 1 year	(37,293,299)	(8,672,811)	(45,866,110)
	(56,921,601)	(17,327,878)	(74,249,479)
Total	<u>(54,757,466)</u>	<u>(3,481,653)</u>	<u>(58,239,119)</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2020**

1. Accounting policies

Basis of preparing the financial statements

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

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

Parent company disclosure exemptions

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

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

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Brentford FC Limited and all of its subsidiary undertakings as at 30 June 2020 using the acquisition method of accounting. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition and cease to be included from the date that control is lost.

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

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

(a) Player impairments

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

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

(b) Onerous contracts

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

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

Revenue

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

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

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

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow projections which extend through until the end of the 2021/2022 football season and are in the process of extending these further still.

With continued uncertainty around the Covid pandemic and the period of time over which this pandemic will have a direct impact on the football industry the Directors are under no illusion of the challenges currently faced and the challenge that lies ahead. At the time of issue of these financial statements there is still no clarity around the return of fans to football stadiums and what this may look like when it happens. The Club is being proactive in terms of being ready for the return of fans at short notice as happened for the two games with limited fans that took place in December, however the cash flow projections being prepared are taking into account no fans for the near future and reduced fan numbers for a prolonged period.

Matchday income made up 24% of revenues for the 6-month period ended 31 December 2019 as the last period with no impact due to the pandemic. This reduction in matchday income as well as the impact on commercial revenues continues to be a challenge, but one the Club and Directors are responding to.

In order to limit the impact of the lost revenue the Club has made use of a number of strategies. Firstly to reduce costs and minimise lost revenues and secondly to ensure access to cash flows is in place.

In order to reduce costs the Club requested all employees to take pay deferrals and performed a restructure of the off-field departments. To minimise cash outflow the Club made a request to season-ticket holders to defer season tickets rather than request refunds and this was extremely well received by season-ticket holders and mitigated the need to have a cash outflow in terms of the season-ticket funds already received for the 2020/21 season.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

To access further funds the Club has utilised government support in the form of the furlough scheme and this has been utilised since it became available and continues to be utilised, albeit to a lesser extent. Funds have been made available by the EFL in the form of an interest free loan. The Club has also been able to factor debtors relating to player sales in order to access further cash.

While the above strategies have been successful there are two key sources of finance to the on-going success of the Club and they are success in the player transfer market and the continued support by the shareholder. The Club has made some significant player sales subsequent to year end (See note 24 for details) and while these don't result in immediate cash inflow for the full sales price this allows the Club the flexibility to factor these debtors should the need arise going forward. The Directors are in constant communication with the shareholder and as certain forecast scenarios highlight the need for successful player trading or funding from the shareholder the Directors have received non legally binding assurances from the shareholder that his intention remains to provide further funds to the company and group as required.

However, the Directors have not identified a material uncertainty in this regard. Due to the factors detailed above the Directors have considered it appropriate to continue to prepare the financial statements on a going concern basis.

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

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

During the prior year the Group signed a Development Agreement that gave rise to a further revaluation of Griffin Park to market value.

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

Land and planning costs for the development of a new stadium, to the extent incurred by the group and company, have been included in tangible fixed assets as an asset in the course of construction. No depreciation is charged on assets in the course of construction until they are brought into use.

The new stadium, on which transfer was completed subsequent to year end, will be leased by the company from a subsidiary company and will be recorded within tangible assets on the balance sheet in subsequent reporting periods.

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:

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

Where indicators of impairment are identified by management, impairment reviews are carried out.

Valuation of investments

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stocks.

Deferred taxation

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Any deferred tax liabilities on chargeable gains rolled-over against the base cost of allowable asset acquisitions are recognised as deferred tax liabilities at the future rate that they may crystallise.

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

Government Grants

All grants to which the company and group are entitled are grants of a revenue nature, rather than grants relating to capital expenditure.

Government grants are recognised on the performance model, that is, when the associated cost is recorded in the income statement. Grant income is included in other operating income.

Leased assets

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

Pension costs

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

Intangible fixed assets

In accordance with FRS 102, player registrations, which includes transfer fees, transfer levies and agents' fees, are capitalised at their present value, where payments are deferred, 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 become probable, which in most cases is when they 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 discounted 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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

Financial instruments

The group's financial instruments comprise its trade, other and player debtors, cash, loans and overdrafts, trade, other and player creditors and accruals. Short term balances are initially recognised and measured at the transaction price and subsequently at amortised cost.

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.

The group's player creditors and player receivables are discounted on initial recognition. The unwinding of the discount is calculated using the effective interest rate method and is recognised in finance costs and finance income respectively.

2. Turnover

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Analysis by class of business:		
League & FA	6,380,419	8,204,324
Ticketing	3,086,029	3,403,813
Commercial	1,482,379	1,487,988
Retail	804,465	387,361
Catering	451,180	480,593
Other Football Income (inc televised games)	880,968	622,720
Media and Membership	161,633	97,713
Other income	660,175	565,473
	<u>13,907,248</u>	<u>15,249,985</u>

Turnover arises solely within the United Kingdom.

3. Other operating income

	30/6/20 £	30/6/19 £
Rents received	241,726	-
Profit on sale of land	-	13,660,618
Grant income	635,424	-
Loan player revenue	61,314	2,645,578
Insurance income	64,848	5,187
	<u>1,003,312</u>	<u>16,311,383</u>

Grant income is solely as a result of the government Coronavirus Job Retention Scheme. The Club placed a number of staff on furlough to mitigate the impact of the pandemic.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

4. Employees and directors

	30/6/20	30/6/19
	£	£
Wages and salaries	22,891,131	16,722,950
Social security costs	2,824,545	2,052,282
Other pension costs	146,239	92,171
	<u>25,861,915</u>	<u>18,867,403</u>

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

	30/6/20	30/6/19
Administration and Commercial Staff	70	52
Player and training staff	101	85
	<u>171</u>	<u>137</u>

Included in the amounts above is a total of £2,206,234 (2019: £nil) that relates to deferred salaries and associated costs for which there is an accrual on the balance sheet.

Directors of the company received £290,513 in emoluments during the current year (2019: £487,068). The highest paid director received £98,665 in the year. Within these amounts are payments to Smartodds Limited, a related party, for the services of individuals who are directors of the company, of which more details are included in note 23.

Amounts totalling £3,412 were paid to the group's defined contribution pension scheme relating to directors during the year (2019: £2,725).

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

5. Operating loss

The operating loss is stated after charging:

	30/6/20	30/6/19
	£	£
Other operating leases	336,103	365,108
Depreciation - owned assets	498,334	565,675
Loss on disposal of fixed assets	6,261	-
Player Registrations amortisation	11,455,427	6,629,551
Auditor's remuneration of these financial statements	52,063	40,042
Fees paid to auditors for tax advice	12,000	14,982
Foreign exchange differences	<u>206,737</u>	<u>29,514</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

6. Gain on disposal of players' registrations

	30/6/20	30/6/19
	£	£
Gain on disposal of players' registrations	<u>24,900,057</u>	<u>27,201,973</u>

7. Interest receivable and similar income

	30/6/20	30/6/19
	£	£
Unwinding of discount on player debtors	1,916,022	1,035,389
Other interest received	<u>18,879</u>	<u>10,049</u>
	<u>1,934,901</u>	<u>1,045,438</u>

8. Interest payable and similar expenses

	30/6/20	30/6/19
	£	£
Other Interest payable	-	29,514
Interest on factoring of player debtors	237,025	-
Unwinding of discount on player creditors	<u>1,559,359</u>	<u>141,374</u>
	<u>1,796,384</u>	<u>170,888</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

9. Taxation

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

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

	30/06/20 £	30/06/19 £
(Loss)/Profit on ordinary activities before tax	(9,060,546)	24,303,006
(Loss)/Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	(1,721,604)	4,617,571
Effect of:		
Fixed asset differences	155,709	682,941
Expenses not deductible for tax purposes	19,083	36,751
Other tax adjustments, reliefs and transfers	36,058	(56,861)
Capital gains/(losses)	-	342,000
Adjustments in respect of prior periods (deferred tax)	24,475	109
Adjust deferred tax to average rate	236,648	(902,369)
Generation/(Utilisation) of tax losses for which no deferred tax is recognised	2,504,970	(448,860)
Total tax charge for the year	<u>1,255,439</u>	<u>4,271,282</u>

The group has unrelieved losses at 30 June 2020 of approximately £60.6m (2019: £52.6m) which are available to be carried forward and offset against future trading profits. A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of the availability of future trading profits.

10. Individual Income statement

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

11. Intangible fixed assets

Group

	Player Registrations £
Cost	
At 1 July 2019	29,376,674
Additions	31,265,704
Disposals	(5,878,218)
At 30 June 2020	<u>54,764,160</u>
Amortisation	
At 1 July 2019	14,056,415
Amortisation for year	11,455,427
Eliminated on disposal	(2,504,126)
At 30 June 2020	<u>23,007,716</u>
Net book value	
At 30 June 2020	<u>31,756,444</u>
At 30 June 2019	<u>15,320,259</u>

Company

	Player Registrations £
Cost	
At 1 July 2019	29,376,674
Additions	31,265,704
Disposals	(5,878,218)
At 30 June 2020	<u>54,764,160</u>
Amortisation	
At 1 July 2019	14,056,415
Amortisation for year	11,455,427
Eliminated on disposal	(2,504,126)
At 30 June 2020	<u>23,007,716</u>
Net book value	
At 30 June 2020	<u>31,756,444</u>
At 30 June 2019	<u>15,320,259</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

12. Tangible fixed assets

Group

	Freehold Land £	Leasehold Property £	Pitch & Drainage £
Cost or valuation			
At 1 July 2019	35,818,638	1,889,525	854,082
Additions	-	-	-
Disposals	-	-	-
At 30 June 2020	<u>35,818,638</u>	<u>1,889,525</u>	<u>854,082</u>
Depreciation			
At 1 July 2019	-	1,889,525	632,227
Charge for year	-	-	122,720
Eliminated on disposal	-	-	-
At 30 June 2020	-	<u>1,889,525</u>	<u>754,947</u>
Net book value			
At 30 June 2020	<u>35,818,638</u>	<u>-</u>	<u>99,135</u>
At 30 June 2019	<u>35,818,638</u>	<u>-</u>	<u>221,855</u>

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Cost or valuation				
At 1 July 2019	2,666,165	843,715	14,398,281	56,470,406
Additions	121,097	52,572	9,330,837	9,504,506
Disposals	-	(168,875)	(6,261)	(175,136)
At 30 June 2020	<u>2,787,262</u>	<u>727,412</u>	<u>23,722,857</u>	<u>65,799,776</u>
Depreciation				
At 1 July 2019	2,165,608	666,290	-	5,353,650
Charge for year	268,940	106,674	-	498,334
Eliminated on disposal	-	(123,942)	-	(123,942)
At 30 June 2020	<u>2,434,548</u>	<u>649,022</u>	<u>-</u>	<u>5,728,042</u>
Net book value				
At 30 June 2020	<u>352,714</u>	<u>78,390</u>	<u>23,722,857</u>	<u>60,071,734</u>
At 30 June 2019	<u>500,557</u>	<u>177,425</u>	<u>14,398,281</u>	<u>51,116,756</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

12. Tangible fixed assets - continued**Group**

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

The Development Agreement ("DA") was entered into through Lionel Road Developments Ltd, a subsidiary of the company. The agreement incorporated the transfer of various plots of land to the Developer by the Group, including the company's existing stadium at Griffin Park.

The stadium at Griffin Park was transferred to a third-party developer subsequent to year end on 15 September 2020. Further details of this can be found in the Chairman's Statement and post balance sheet events notes.

Cost or valuation at 30 June 2020 is represented by:

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

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Valuation in 2018	-	-	-	16,277,786
Valuation in 2019	-	-	-	17,100,000
Cost	<u>2,787,262</u>	<u>727,412</u>	<u>23,722,857</u>	<u>32,421,990</u>
	<u>2,787,262</u>	<u>727,412</u>	<u>23,722,857</u>	<u>65,799,776</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

12. Tangible fixed assets - continued

Company

	Freehold Land £	Leasehold Property £	Pitch & Drainage £
Cost			
At 1 July 2019	35,700,000	1,889,525	854,082
Additions	-	-	-
Disposals	-	-	-
At 30 June 2020	<u>35,700,000</u>	<u>1,889,525</u>	<u>854,082</u>
Depreciation			
At 1 July 2019	-	1,889,525	632,227
Charge for year	-	-	122,720
Eliminated on disposal	-	-	-
At 30 June 2020	-	<u>1,889,525</u>	<u>754,947</u>
Net book value			
At 30 June 2020	<u>35,700,000</u>	-	<u>99,135</u>
At 30 June 2019	<u>35,700,000</u>	-	<u>221,855</u>

	Plant and machinery £	Fixtures and fittings £	Assets in the course of construction £	Totals £
Cost				
At 1 July 2019	2,664,705	841,521	566,517	42,516,350
Additions	121,097	52,573	2,467,819	2,641,489
Disposals	-	(168,875)	-	(168,875)
At 30 June 2020	<u>2,785,802</u>	<u>725,219</u>	<u>3,034,336</u>	<u>44,988,964</u>
Depreciation				
At 1 July 2019	2,164,026	664,115	-	5,349,893
Charge for year	268,924	106,674	-	498,318
Eliminated on disposal	-	(123,942)	-	(123,942)
At 30 June 2020	<u>2,432,950</u>	<u>646,847</u>	-	<u>5,724,269</u>
Net book value				
At 30 June 2020	<u>362,852</u>	<u>78,372</u>	<u>3,034,336</u>	<u>39,264,695</u>
At 30 June 2019	<u>500,679</u>	<u>177,406</u>	<u>566,517</u>	<u>37,166,457</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

12. Tangible fixed assets - continued**Company**

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

The Development Agreement ("DA") was entered into through Lionel Road Developments Ltd, a subsidiary of the company. The agreement incorporated the transfer of various plots of land to the Developer by the Group, including the company's existing stadium at Griffin Park.

The stadium at Griffin Park was transferred to a third-party developer subsequent to year end on 15 September 2020. Further details of this can be found in the Chairman's Statement and post balance sheet events notes.

13. Fixed asset investments**Company**

	Group undertakings £	Loans £	Total £
Cost or Valuation			
At 1st July 2019	52,604	-	52,604
Write off in year	(99)	-	(99)
	<hr/>	<hr/>	<hr/>
At 30th June 2020	52,505	-	52,505

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 the new stadium for the Group. These undertakings have been included in the consolidated accounts.

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

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held
Subsidiary Undertakings			
Lionel Road Developments Limited	England	Ordinary	100%
Lionel Road Coalyard Limited	England	Ordinary	100%

The subsidiary entity Brentford FC (Lionel Road) Limited was wound up prior to year-end and therefore is not included in the principal undertakings listed above as at the balance sheet date. The registered address of all subsidiary undertakings is 27 Great West Road, Brentford, TW8 9BW.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

14. Stocks

	Group		Company	
	30/6/20	30/6/19	30/6/20	30/6/19
	£	£	£	£
Stock	168,159	138,044	168,159	138,044
Stock Provision	(45,907)	(12,263)	(45,907)	(12,263)
	<u>122,252</u>	<u>125,781</u>	<u>122,252</u>	<u>125,781</u>

15. Debtors

	Group		Company	
	30/6/20	30/6/19	30/6/20	30/6/19
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	286,071	2,637	286,071	2,637
Player debtors	14,141,226	12,940,123	14,141,226	12,940,123
Amounts owed by group undertakings	-	-	6,381	1,740,558
Other debtors	762,371	5,574,433	549,961	518,283
Prepayments and accrued income	26,789,870	26,489,988	2,989,870	2,689,988
	<u>41,979,538</u>	<u>45,007,181</u>	<u>17,973,609</u>	<u>17,891,587</u>
 Amounts falling due after more than one year:				
Player debtors	<u>7,502,951</u>	<u>8,673,800</u>	<u>7,502,951</u>	<u>8,673,800</u>
 Aggregate amounts	<u>49,482,489</u>	<u>53,680,981</u>	<u>25,476,460</u>	<u>26,565,387</u>

Included in accrued income is the portion of value receivable by the group in-kind, in the form of the new stadium. The asset was acquired in August 2020 following the issue of the practical completion certificate and Griffin Park was transferred to the developer in September 2020. Details of this transfer can be found in the post balance sheet events note and Chairman's Statement.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

16. Creditors: amounts falling due within one year

	Group		Company	
	30/6/20	30/6/19	30/6/20	30/6/19
	£	£	£	£
Shareholder and other loans (see note 18)	21,338,142	19,628,302	-	-
Trade creditors	1,247,860	1,308,721	767,981	568,260
Player creditors	15,488,640	4,642,958	15,488,640	4,642,958
Taxation and social security	932,005	833,814	931,033	832,842
Other creditors	728,262	597,231	728,262	597,231
Other secured borrowings	7,045,227	-	7,045,227	-
Deferred Income	5,509,441	2,490,866	5,509,441	2,490,866
Accrued expenses	20,260,584	9,375,584	9,011,690	3,731,633
	<u>72,550,161</u>	<u>38,877,476</u>	<u>39,482,274</u>	<u>12,863,790</u>

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

	Group	Group	Company	Company
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	£	£	£	£
Shareholder's loans (secured)	38,339,651	37,293,299	38,339,651	37,293,299
Player creditors	936,138	1,188,042	936,138	1,188,042
Accruals	2,221,526	-	2,221,526	-
Other secured borrowings	7,526,459	-	7,526,459	-
	<u>49,023,744</u>	<u>38,481,341</u>	<u>49,023,744</u>	<u>38,481,341</u>

All loans falling due after more than one year will become repayable after a continually rolling notice period of 367 days, if called and loans are discounted at a rate of 12.5%.

There was a pre discounting capital contribution in the period of £1,177,146 (2019: £263,235). The undiscounted loan balance as at 30 June 2020 amounts to £43,132,107 (30 June 2019: £41,954,961).

Accruals is made up of agent fees, player signing on fees and a clawback of TV revenue.

Other secured borrowings represent liabilities of the company arising from arrangements to advance cash to the company, secured on certain player debtors amounts arising on the disposal of player registrations. The liabilities bear a finance charge of 6.3% - 6.5%.

18. Loans

Shareholder loans are interest free, repayable on demand, and secured by legal charges and debentures over the group's assets.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

19. Provisions for liabilities

Group:

	2020		
	Deferred tax £	Other £	Total £
At 1 July 2019	9,939,997	884,511	10,824,508
Reclassification to accruals	-	-	-
Provision charged to other comprehensive income	-	-	-
Provision charged to profit and loss	1,255,439	(250,000)	1,005,439
At 30 June 2020	<u>11,195,436</u>	<u>634,511</u>	<u>11,829,947</u>
	2019		
	Deferred tax £	Other £	Total £
At 1 July 2018	2,767,224	4,228,128	6,995,352
Reclassification to accruals	-	(4,228,128)	(4,228,128)
Provision charged to other comprehensive income	2,907,000	-	2,907,000
Provision charged to profit and loss	4,265,733	884,511	5,150,284
At 30 June 2019	<u>9,939,997</u>	<u>884,511</u>	<u>10,824,508</u>

Company:

	2020		
	Deferred tax £	Other £	Total £
At 1 July 2019	9,939,997	884,511	10,824,508
Provision charged to other comprehensive income	-	-	-
Provision charged to profit and loss	1,255,439	(250,000)	1,005,439
At 30 June 2020	<u>11,195,436</u>	<u>634,511</u>	<u>11,829,947</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020

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

The group has a provision relating to deferred tax totalling £11,195,436. In the prior period the group recognised provisions of £884,511 related to a probable obligation for early termination of lease contracts pertaining to assets used at Griffin Park. In the period £250,000 of this was paid and payments have continued in this regard subsequent to year end.

A deferred tax liability of £6,341,779 (2019: £5,674,224) relating to the unrealised gain on the revaluation of the freehold stadium is the maximum amount payable if the property were to be sold at the valuation of £35,700,000. This may not crystallize as a result of rollover relief which is expected to be available.

A deferred tax liability of £4,853,657 (2019: £4,265,773) relates to profits on disposal of player registrations that have been carried forward in anticipation of future roll-over relief claims. Should reinvestment in qualifying assets (players) not be made within the available time frames, corporation tax in proportion to the reinvestment shortfall will crystallise.

The following relates to deferred tax for which no assets have been recognised:

	30 June 2020 £	30 June 2019 £
Unrecognised deferred tax assets		
Depreciation in advance of capital allowances	309,986	359,966
Tax losses	<u>11,411,564</u>	<u>8,954,246</u>
	<u>11,721,550</u>	<u>9,314,212</u>

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

20. Called up share capital

Allotted, issued and fully paid:		Nominal value:	30/6/20	30/6/19
Number:	Class:		£	£
557,281	Ordinary shares	£25.00	13,932,025	13,932,025
24,554,608	Preference shares	£1.00	24,554,608	24,554,608
1	BU Special share	£0.01	-	-
			<u>38,486,633</u>	<u>38,486,633</u>

21. Contingent assets and liabilities

The group has entered into contractual agreements regarding player purchases from other clubs which include certain contingent liabilities. These liabilities are triggered based on players reaching certain milestones in terms of appearances for the first team or Brentford FC being promoted to the Premier League. These contingent liabilities total £17,504,047 (2019: £10,036,275).

Similarly the group has entered into contractual agreements regarding player sales to other clubs which include certain contingent assets. These assets are triggered based on players reaching certain milestones in terms of appearances for the relevant club they join or through promotion for that club. These contingent assets as at 30 June 2020 total £11,850,987 (2019: £6,746,987).

The group has a contingent liability associated with potential further land costs, over and above accrued amounts, associated with the purchase of land known as Capital Court. There is uncertainty as to the quantum of the amount that may become payable as this is subject to further negotiation or will be determined by a tribunal hearing. No further provision has been recognised.

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

22. Commitments under operating leases

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

	30 June 2020 £	30 June 2019 £
Not later than 1 year	500,881	365,108
Later than 1 year and not later than 5 years	709,860	642,473
	<u>1,210,741</u>	<u>1,007,581</u>

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, M Chapman and S Purvis.

Bees United has made interest free loans totalling £679,911 (2019: £679,911) to the company at the year-end of which £402,000 (2019: £402,000) is secured by legal charges over the company's freehold property. The loan is repayable in full on demand.

A further balance of £8,166 (2019: £8,166) is owed to Bees United which is unsecured.

Mr M Benham, who is the controlling party of the company, is a majority shareholder of Smartodds Limited from which the group made purchases of £696,898 (2019: £1,153,616). Of these purchases £173,365 relates to fees paid by the company and subsidiaries to Smartodds for services of directors of the company while the balance relates to other services provided by Smartodds to the company and its subsidiaries. All transactions were conducted on an arm's length basis on normal trading terms. At 30 June 2020, there was an outstanding balance of £133,530 (2019: £438).

Mr M Benham has made loans to Brentford FC Ltd and Lionel Road Developments Ltd of £64,470,250 (2019: £61,583,263). No interest has been charged on these loans in the current or previous years. However, FRS 102 requires that all loans made by shareholders to the company be initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

During the year, the company has paid £20,025 (2019: £38,114) to Career Path Training Ltd for professional services, a company which M Choudhuri is materially interested as a director and shareholder. There was no balance outstanding at 30 June 2020.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2020**

24. Post balance sheet events

Stadium update

Practical completion of The Brentford Community Stadium was achieved on 6 August and operational completion on 24 August, after the safety certificate was issued. Brentford Football club have held a 250-year lease on the new stadium since July 2018, which allowed them to occupy and exercise the rights under the lease only following practical completion. On 15 September the Company disposed of its interest in Griffin Park to the developer in accordance with the amended development agreement entered into in August 2018.

The transfer has been accounted for at the total cost of the stadium of £71.8m, and this has been affected in three parts by the sale proceeds of Griffin Park, a distribution by the subsidiary company and a secured, interest free inter-company loan.

Player update

Subsequent to year end the Club made some significant player trades with the transfer window extended due to the 19/20 season extension and on-going Covid pandemic. All transfers form part of the normal operations of the company and were conducted at arms length.

On the sales side Ollie Watkins was sold to Aston Villa on the 8th of September 2020 and Said Benrahma was loaned to West Ham United on 16 October 2020 for the remainder of the season. West Ham United subsequently signed Said Benrahma on a permanent basis on 25 January 2021.

On the purchases side Charlie Goode signed from Northampton Town on 18 August 2020, Ivan Toney signed from Peterborough United on 1 September 20, Saman Ghoddos joined on loan from SASP Amiens on 19 September 2020 and Vitaly Janelt signed from VFL Bochum on 1 October 2020. Saman's loan was subsequently made a permanent transfer on 5 January 2021.