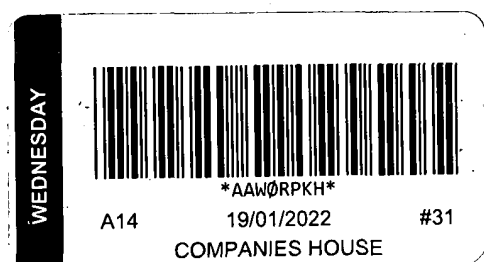


Brentford FC Ltd

Annual Report and Financial Statements for the Year Ended 30 June 2021

Registered number: 03642327



Brentford FC Ltd

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for the Year Ended 30 June 2021**

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Brentford FC Ltd

**Company Information
for the Year Ended 30 June 2021**

Directors:

R Ankersen
M Choudhuri
C Crown FCA
P R Giles
D G Kerr
M J Power
N S Raj
S P Purvis
D A Davies (Appointed 1 August 2021)
P Shetty (Appointed 1 August 2021)

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

Brentford FC Ltd
Chair's Report
for the Year Ended 30 June 2021

Executive Summary

The 2020/21 season was a momentous one for Brentford FC, on and off the field. The Club realised its ambition of promotion to the Premier League. I would like to take this opportunity to congratulate Thomas Frank, Brian Riemer, the players and all of the support team on a fantastic season which is testament to their hard work, commitment and togetherness.

This time last year, we were reflecting on the drastic impact of the COVID-19 pandemic on our own, and the industry's financial welfare. There was little respite over the intervening period, and all revenue targets had to be reset in light of the continuing absence of fans, the exception to which was a warm welcome to their new Community Stadium for a limited number of fans for two matches in December 2020 and the play-off semi-final home leg in May 2021. We didn't alter our business model however, and, as in previous seasons, profited from the sale of players we had recruited and developed, and replaced them with others on the same basis.

Clearly, promotion to the Premier League completely transforms the financial outlook for the Club, not merely for the forthcoming season, but even, in the most pessimistic scenario of relegation, with parachute payments, for two seasons thereafter. However, the immediate future at this level is not without its challenges, particularly as we adjust to life in our new stadium.

The Group's operating loss before player trading was £53.1m (2020: £34.1m). The increased loss on the prior year was primarily driven by one-off promotion related payments and the lack of matchday revenue. The Group's loss before taxation was £8.5m (2020: loss of £9.1m). This loss is a significant reduction on the operating loss before player trading, primarily due to the profit on disposal of players of £44.3m (2020: profit of £24.9m).

COVID-19

As a result of the Government restrictions to help combat the pandemic the 2019/20 season was extended into July and August 2020 which is within the financial year covered by this report. During that time period the final five home games of that season were therefore played at Griffin Park with no supporters present. When our new home, the Brentford Community Stadium, opened on 1st September 2020 restrictions were still in place.

Our new stadium remained off limits to supporters throughout the season, (bar those two games in December) with only just over 4,000 being allowed in for the play off semi-final win against Bournemouth in May. In light of the original planned stadium opening for the start of the season, we had sold some 11,000 premium and season tickets by early 2020. We contacted all those supporters, many of them new fans, and were hugely heartened when 94% of them took up the option of deferring their ticket to the 21/22 season. Of course, this effectively meant no equivalent revenue at the same time this year, but it put us in a much healthier financial position than many of our rivals who did not have the incentive of a new stadium seat to keep their supporters on board throughout this period. During this time the Club also utilised the Government's furlough scheme given the impact that the pandemic had on our normal activities.

The estimated financial impact on the 2020/21 season is approximately £2.8m (2020: £1.0m). This figure is a net figure and primarily comprises lost matchday revenue, offset by a reduction in matchday operating costs and grant income.

Brentford FC Ltd

Chair's Report - continued for the Year Ended 30 June 2021

Season 2020/21

There was very little time to draw breath between the end of the play off final defeat against Fulham at Wembley on 4th August 2020 and the start of the 20/21 season, only five weeks later. The losing play off finalists often find it difficult to start again immediately with the same intensity and impact, and the early results, particularly the home defeat to Preston when we had led by two goals at half time, seemed to bear this out. However, following this game, in which Christian Norgaard sustained what transpired to be a long-term injury, the team only lost one game in 24 in all competitions, and once again looked like promotion contenders. However, as often happens after such a run, in mid-February, we were brought down to earth by three successive defeats, including one to local rivals QPR. This was followed by another run of unbeaten games to the end of the season, with the exception of defeat to champions elect Norwich, but with six games drawn in this period and fifteen in total over the season, we fell short of automatic promotion, finishing in 3rd spot, and once again qualifying for the play offs.

The final table bore testimony to the difficulty of competing with clubs relegated from the Premier League, with recently relegated Norwich and Watford booking the top two spots, and Bournemouth threatening to join them. The semi-final game at the Vitality Stadium against Bournemouth was their first of the season to host home fans, and the early advantage went to the home side, running out one-nil victors in a very close encounter. Our own 4,000 fans at the return match gave us some indication of just how intense the atmosphere might be if the stadium were full. Goals from Ivan Toney, Vitaly Janelt, and Marcus Forss sealed the victory and we headed to Wembley for a second consecutive season. The final versus Swansea City, in front of over 10,000 fans was in total contrast to the previous year, with Brentford looking much more at ease with the arena and the occasion, and after two early goals, another superb penalty by Ivan Toney, and a wonderful team goal finished off by Emiliano Marcondes, we ran out relatively comfortable victors. This was the Club's tenth time in play offs, our third since being promoted to the Championship, and our previous nine failures made success all the sweeter for the supporters and the Club itself.

Due to a delayed start, the 2020/21 season was more compressed than usual, with more midweek games filling the schedule. Given the added pressure on the players' fitness, it was perhaps surprising that we experienced such unparalleled success in the EFL Carabao Cup. The very close game against Wycombe Wanderers (our first ever competitive match at our new stadium back in September 2020), settled only by a penalty shootout, gave no indication that we would achieve four successive victories against Premier League opposition in Southampton, West Brom, Fulham and Newcastle, which set up a semi-final, our first in this competition, against Tottenham Hotspur at their new stadium. Spurs ended our run in the cup in a closely fought match, in which VAR (another first for us) ruled out a Toney goal and confirmed Josh Dasilva's red card. However, this campaign enabled us to test ourselves against five teams from the Premier League, and in addition give game time to several players on the fringe of the first team, experience that proved invaluable as we lost key players to injury towards the end of the Championship season.

In contrast, our run in the FA Cup was relatively short, beating Middlesbrough at home in the 3rd round, and then, for the second successive season, being eliminated by Leicester City, who went on to lift the trophy.

**Chair's Report - continued
for the Year Ended 30 June 2021**

Player Trading

The Club has been heavily reliant on successful player trading, and, over the past eight years, has seen a steady increase, season on season, on the quality of those brought in, the money spent on recruits and the profits realised on sales. The summer of 2020 was, in financial terms, the best example of this model in action, with Ollie Watkins and Saïd Benrahma moving for record transfer fees to Aston Villa and West Ham Utd respectively. Both players had been recruited for modest fees, Ollie from League Two Exeter City, and Saïd from Nice, and developed over two or three seasons by our coaching staff to the point where they were on the radar of Premier League clubs.

Recruitment followed the same pattern as before, with Charlie Goode, the captain of the League Two title winning Northampton Town team, and Ivan Toney, the top scorer in League One, joining the squad. Mads Bidstrup, a product of the Copenhagen academy, was recruited from RB Leipzig, and Saman Ghoddos, whom we almost signed a year earlier, also joined us. In retrospect, however, perhaps the clearest example of our policy was the recruitment of Vitaly Janelt from Bochum, a team in Bundesliga 2. Vitaly, a combative midfielder, a player seen as one who we could develop over the season, was introduced much earlier than expected as a result of the injury to Christian Norgaard, and played a key role throughout the whole season, scoring some great long-range goals. He also played in the German U21 team who lifted the European trophy after the end of the season. Ivan Toney, for his part, went on to score 31 goals in the Championship season, a record for any player, making our record outlay for him look like extremely good business. Huge credit must go to our Directors of Football, Phil Giles and Rasmus Ankersen, our Head of Recruitment, Lee Dykes, and our coaching staff, for the continuing success of this crucial side of the business.

Community Stadium

The new stadium was home to games for the 2020/21 season but only three games could accommodate home fans as outlined above. However, work went on behind the scenes to ensure that, as fans were allowed back in, everything was ready for them. The real test, following the play off semi-final, was the start of the 2021/22 season, and no-one who witnessed the opening match against Arsenal can have any doubts about the intensity of the atmosphere, or the quality of the experience. It will take time to make it feel like home, but it is a superb arena in which to play football, and already fans are talking of it with pride.

Development work continues around the stadium site with the timetable for completion naturally delayed as a result of COVID-19 and the associated building restrictions.

Commercial Development

While the games were being played to an empty stadium, a great deal of work continued off the field on forging new commercial partnerships and relationships. Jon Varney, our CEO, and his team have fostered and developed our relationships with a number of businesses through this difficult period. They have also ensured that all those who purchased premium seats, both corporates and individuals, have been kept informed and on board while we waited for the green light to open the lounges. The Club now boasts an impressive list of over thirty partners, including the stadium founder partners UWL, Asahi, and Lofbergs. Jon is also to be congratulated on striking a deal with Hollywood Bets, the leading South African bookmaker, now our official principal partner and name on the Club's playing and training kit.

Brentford FC Ltd

Chair's Report - continued for the Year Ended 30 June 2021

Governance

The Club has, over this period, reviewed its governance and its approach to the crucial issues of Equality, Diversity and Inclusion. We have always considered ourselves a club that is an integral part of its community and one that, largely via the BFC Community Sports Trust, contributes positively to that community. However, like the sector in general, our off-field profile did not reflect the diversity of that community. Accordingly, we have made some significant changes, the first of which was to recruit Kevin Yusuf Coleman into a new position as head of EDI. Kevin was previously Equality & Diversity Manager at the FA and brings a wealth of expertise and experience to this new role. The second change is to the board of directors of the Club, with the recruitment of both Deji Davies, a managing director at JP Morgan, and a former semi-professional footballer, and Preeti Shetty, CEO of Upshot, a technology based social enterprise company. Preeti has worked for over a decade in football, most notably at the Football Foundation. We believe that these changes will help us stay at the forefront of the development of the game and the way that it interacts with its local communities over the foreseeable future.

Community Sports Trust

COVID-19 presented a huge challenge to the Trust's work in the local community. The pandemic brought an immediate halt to its work in local schools and all coaching was cancelled. The Trust were forced to furlough the vast majority of their staff, and yet was aware that some of the most vulnerable individuals in our community, many of whom the Trust worked closely with, were at even greater risk throughout this period. So, with the help of staff and particularly players at the Club, the Trust moved much of their provision on-line and kept in touch on a regular basis with those for whom isolation was particularly difficult, including young carers.

Towards the end of the football season, the CST moved some of its coaching staff into the new sports hub in Gunnersbury Park. Financial support from the Club enabled the Trust to become one of three key partners in this superb community indoor and outdoor sports facility, and, even in the few months it has been open, the Trust has dramatically increased its participation numbers. The CST also benefits financially, albeit on a smaller scale, from the Club's promotion to the Premier League, and will continue to increase the social impact it has locally. In November 2021, the CST moved its HQ and a new social, health and education hub into a building next to the stadium, reinforcing the close relationship between the two parts of the family.

Finance

The financial statements for the year under review show a group operating loss, before player trading, of £53.1m (2020: loss of £34.1m). The current year's loss arises following a season where virtually no matchday income was generated due to COVID-19 restrictions preventing supporter attendance at the vast majority of games. The current year's loss also includes one-off bonuses paid out to players and staff following our successful promotion to the Premier League in May 2021.

The loss before taxation was £8.5m (2020: loss of £9.1m) which is a significant reduction on the operating loss driven by profit on the disposal of player registrations of £44.3m (2020: profit of £24.9m). The principal contributors to this player trading figure were the sale of Ollie Watkins to Aston Villa and the sale of Saïd Benrahma to West Ham United as noted above.

Matthew Benham's total investment in the group on 30 June 2021, comprised of equity and loans, stood at £104.1m (2020: £103.0m). This sum includes £22.4m (2020: £21.3m) of secured loans specifically in relation to the Brentford Community Stadium project.

Brentford FC Ltd

Chair's Report - continued for the Year Ended 30 June 2021

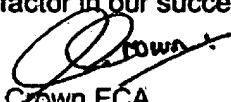
As we look forward to the continuation of the 2021/22 season, this brings vastly increased revenue streams, primarily by way of Premier League central distributions. This has also allowed the Club, post year end, to settle its outstanding COVID-19 related liabilities, specifically the EFL loan and player wage deferrals. In addition, and for the first time in many years, the Club has not needed to sell any players and so we are unlikely to see any significant profits from player trading in the 2021/22 results.

The Premier League

Promotion has only slightly changed the business model, with recruitment following the tried and tested route of finding talent we can develop rather than buying the finished article, although, as has been the case over recent seasons, the cost of such acquisitions continues to rise. Kristoffer Ajer from Celtic, Frank Onyeka from FCM, Myles Peart-Harris from Chelsea, and Yoane Wissa from Lorient, all joined in the summer, and so those additions will be reflected in next year's financial statements. However, for the first time, the only departures were those of players whose contract had ended, Emiliano Marcondes, Luke Daniels and Henrik Dalsgaard. They left with our grateful thanks for the part they played in our success.

The first few games were encouraging with the high point being the victory against Arsenal in the opening match of the Premier League, live on Sky TV. The stadium was almost full for the first time and was everything we had hoped and planned for. This was followed by the enthralling 3-3 draw at home to Liverpool on 25th September which was the best Bees match I have seen in my 10-year association with the Club. This will be a tough season at a new level for the Club, the first time for 74 years in the top division, but it is a season for which we have prepared, a season that we believed would happen, and we have high hopes of sustaining our new position. As I write this, we sit in 10th place after 16 games with 20 points, a position that has surprised many!

In closing it only remains for me to thank all the Club staff, both on and off field, my fellow Board Directors and everyone who has contributed to the best season the Club has experienced in the last 75 years. It has never been more self-evident that our togetherness and determination to achieve our goals was the key factor in our success.


Cliff Crown FCA
Chair

22 December 2021

Brentford FC Ltd

Group Strategic Report for the Year Ended 30 June 2021

The directors present their strategic report of the company and the group for the year ended 30 June 2021.

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 an excellent 2020/21 season and was promoted to the Premier League. The Club sold two key players at the start of the season but continued to apply the successful model already in place and made some significant signings to replace the leavers. 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, albeit promotion to the Premier League meant that for the first time in many years no players were sold in the summer transfer window post year end.

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 league status;
- 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 Profit & Sustainability;
- Risks associated with reliance upon finance from Brentford FC's owner to fund operations;
- In 20/21, League and FA income of £8.4m (19/20: £6.4m), 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 and the fans have returned in larger numbers than previously seen by the Club.
- 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 significantly 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.

Brentford FC Ltd

Group Strategic Report - continued for the Year Ended 30 June 2021

Business review

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

Indicator	2020/21	2019/20	% Change
Turnover (£m)	15.3	13.9	+10.3%
Operating (loss)(£m)	(9.0)	(9.2)	+2.2%
Season tickets (number pre and post lockdown)	9,928	6,593	+50.6%
Final position in Championship	3rd	3rd	

Turnover increased by 10.3% in the year to £15,343,550 (2020: £13,907,248) on the back of the move out of lock down and the run to the play-off final and subsequent promotion to the Premier League. In addition the broadcasting income in relation to the final five league games and play-offs for the 19/20 season has been accounted for in the year ended 30 June 2021 as a result of these not having been completed by 30 June 2020.

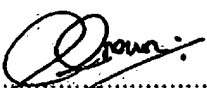
The Group produced an operating loss after player trading in the year of £8,971,166 (2020: £9,199,063). Details of this can be found in the Chair's Statement.

The Group is in a net asset position of £21,616,937 (2020: £24,039,397).

During the peak of the pandemic the Club utilised various forms of financing to mitigate the risk associated with relying primarily on player trading and owner support. Promotion to the Premier League has allowed the Club to settle a number of liabilities subsequent to year end, including an EFL loan and deferred player wages.

The challenges of the 20/21 season are still being felt as there was a roll-over of the majority of season ticket sales from the 20/21 season into the 21/22 season. While this mitigated the need for cash outflow initially it has meant there wasn't an inflow of cash in relation to 21/22 season tickets. This, coupled with the need to invest further in the squad, has been a challenge that has been overcome through the receipt, subsequent to year end, of our first Premier League related receipts and through the execution of a £20m overdraft facility with Barclays Bank plc.

On behalf of the board:


.....
C Crowe FCA - Director

Date: 22 December 2021

Brentford FC Ltd

Report of the Directors for the Year Ended 30 June 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

Dividends

No dividends will be distributed for the year ended 30 June 2021 (2020: £nil).

Events since the end of the year

Information relating to events since the end of the year is given in note 24 to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 July 2020 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

Other changes in directors holding office are as follows:

D A Davies and P Shetty were appointed as directors on 1 August 2021.

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.

Publication of financial statements on the company's website

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Brentford FC Ltd

Report of the Directors - continued for the Year Ended 30 June 2021

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 2022/23 football season, taking into account both Premier League retention and relegation scenarios at the end of the 2021/22 season.

Promotion to the Premier League for the 21/22 season provides significant financial benefit to the Club, by way of much-increased central distributions, supplemented by increases in commercial and matchday revenue. This has enabled the Club, post year end, to settle all COVID-19-related funding, including deferred player wages and EFL loans.

Naturally, with promotion to the Premier League, the Club's cost base has also increased, primarily due to the investment in the playing squad and an increase in player wage bill (including promotion bonuses and potential Premier League retention bonuses), both of which should enable the Club to compete successfully at this higher level.

These outgoings, combined with the uneven spread of central distributions across the year, means the Club has executed a £20m overdraft facility with Barclays to fund any monthly cash shortfalls in the 21/22 season. The 21/22 cashflow projections indicate that this facility is not required beyond January 2022, the typical cash low point in the season for football clubs. However, should the Club require it, this facility will be available until at least August 2022. This provides the Club with the comfort that, even under a further COVID-19-impacted winter, the lost revenue would be covered by the committed facilities available. In the event of a reasonable downside scenario, Barclays have indicated a willingness to extend the facility, with a reduced cap of £10m in year 1 of parachute payments (22/23 season) and £5m in year 2 of parachute payments (23/24 season).

In addition to the Barclays facility there are two alternative sources of finance available to the Club, namely player trading, in the ordinary course of football operations, and the continued support of the shareholder. Historically, the Club has demonstrated significant success in the player transfer market and, with a squad proving its capabilities in the Premier League, would expect to do so again if required. Furthermore, the Directors are in constant communication with the shareholder, and he has provided assurances of his intention to provide further funds to the company and group if required. Based on management's forecasts for the period to 30 June 2023, neither of these two additional funding sources is expected to be required.

Taking the above factors into account, the Directors have not identified any material uncertainty that may give rise to significant doubt with regard to going concern. They therefore consider 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.

Brentford FC Ltd

**Report of the Directors - continued
for the Year Ended 30 June 2021**

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: 22 December 2021
.....

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENTFORD FC LIMITED

Opinion on the financial statements

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 2021 and of the Group'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.

We have audited the financial statements of Brentford FC Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 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 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

We have nothing to report in respect of the following matters 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 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 - continued

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the English Football League, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the impairment of players and the useful economic life of the stadium.
- Identifying and testing journal entries, selected based on specific risk criteria.
- Reading minutes of meetings of those charged with governance and review of legal correspondence.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.

DocuSigned by:
Ian Clayden
E25A0E124BD44AA...

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

07 January 2022

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

Brentford FC Ltd

**Consolidated Income Statement
for the Year Ended 30 June 2021**

	Notes	30/6/21 £	30/6/20 £
Turnover	2	15,343,550	13,907,248
Administrative expenses		<u>(71,305,269)</u>	<u>(48,964,342)</u>
		(55,961,719)	(35,057,094)
Other operating income	3	<u>2,850,315</u>	<u>1,003,312</u>
Operating loss before player trading	5	(53,111,404)	(34,053,782)
Gain on disposal of players' registrations	6	44,258,876	24,900,057
Loss on sale of tangible fixed assets		<u>(118,638)</u>	<u>(45,338)</u>
Operating loss		(8,971,166)	(9,199,063)
Interest receivable and similar income	7	1,739,077	1,934,901
Interest payable and similar expenses	8	<u>(1,267,082)</u>	<u>(1,796,384)</u>
Loss before taxation		(8,499,171)	(9,060,546)
Tax credit / (charge) on loss	9	<u>6,076,711</u>	<u>(1,255,439)</u>
Loss for the financial year		<u>(2,422,460)</u>	<u>(10,315,985)</u>
Loss attributable to: Owners of the parent		<u>(2,422,460)</u>	<u>(10,315,985)</u>

The notes form part of these financial statements

Brentford FC Ltd

**Consolidated Statement of Other Comprehensive Income
for the Year Ended 30 June 2021**

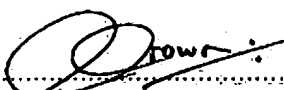
	30/6/21 £	30/6/20 £
Loss for the year	(2,422,460)	(10,315,985)
Other comprehensive loss		
Adjustment to non-controlling interest	<u>-</u>	<u>(2,196)</u>
Other comprehensive loss for the year	<u>-</u>	<u>(2,196)</u>
Total comprehensive loss for the year	<u>(2,422,460)</u>	<u>(10,318,181)</u>
Total comprehensive loss attributable to:		
Owners of the parent	(2,422,460)	(10,320,377)
Non-controlling interests	<u>-</u>	<u>2,196</u>
	<u>(2,422,460)</u>	<u>(10,318,181)</u>

The notes form part of these financial statements

Brentford FC Ltd
Registered number: 03642327
Consolidated Balance Sheet
30 June 2021

	Notes	30/6/21 £	30/6/20 £
Fixed assets			
Intangible assets	11	38,007,440	31,756,444
Tangible assets	12	<u>76,556,964</u>	<u>60,071,734</u>
		<u>114,564,404</u>	<u>91,828,178</u>
Current assets			
Stocks	14	212,003	122,252
Debtors	15	42,678,653	49,482,488
Cash in hand		8,029,524	16,010,360
Restricted cash	16	<u>4,876,586</u>	<u>-</u>
		55,796,766	65,615,100
Creditors			
Amounts falling due within one year	17	<u>(99,504,861)</u>	<u>(72,550,160)</u>
Net current liabilities		<u>(43,708,095)</u>	<u>(6,935,060)</u>
Total assets less current liabilities		70,856,309	84,893,118
Creditors			
Amounts falling due after more than one year	18	<u>(43,749,652)</u>	<u>(49,023,774)</u>
Provisions for liabilities	19	<u>(5,489,720)</u>	<u>(11,829,947)</u>
Net assets		<u>21,616,937</u>	<u>24,039,397</u>
Capital and reserves			
Called up share capital	20	38,486,633	38,486,633
Revaluation reserve		-	33,377,786
Retained earnings		<u>(16,869,696)</u>	<u>(47,825,022)</u>
Shareholder funds		<u>21,616,937</u>	<u>24,039,397</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22nd December 2021 and were signed on its behalf by:


.....
C Crown FCA - Director

The notes form part of these financial statements

Brentford FC Ltd
Registered number: 03642327
Company Balance Sheet
30 June 2021

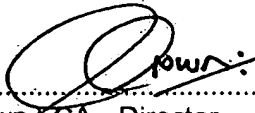
	Notes	30/6/21 £	30/6/20 £
Fixed assets			
Intangible assets	11	38,007,440	31,756,444
Tangible assets	12	75,062,955	39,264,695
Investments	13	<u>52,505</u>	<u>52,505</u>
		113,122,900	71,073,644
 Current assets			
Stocks	14	212,003	122,252
Debtors	15	42,319,155	25,476,459
Cash in hand	16	<u>8,002,129</u>	<u>13,215,382</u>
		50,533,287	38,814,093
Creditors			
Amounts falling due within one year	17	<u>(90,997,741)</u>	<u>(39,482,273)</u>
Net current liabilities		(40,464,454)	(668,180)
Total assets less current liabilities		72,658,446	70,405,464
 Creditors			
Amounts falling due after more than one year	18	<u>(43,749,652)</u>	<u>(49,023,774)</u>
Provisions for liabilities	19	<u>(5,489,720)</u>	<u>(11,829,947)</u>
Net assets		<u>23,419,074</u>	<u>9,551,743</u>
 Capital and reserves			
Called up share capital	20	38,486,633	38,486,633
Revaluation reserve		-	33,377,786
Retained earnings		<u>(15,067,559)</u>	<u>(62,312,676)</u>
Shareholder funds		<u>23,419,074</u>	<u>9,551,743</u>
 Company's profit/(loss) for the financial year		<u>13,867,331</u>	<u>(9,793,462)</u>

The notes form part of these financial statements

Brentford FC Ltd

Company Balance Sheet - continued
30 June 2021

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2021 and were signed on its behalf by:


.....
C Crown FCA - Director

The notes form part of these financial statements

Brentford FC Ltd
Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total £	Non- controlling interests £	Total equity £
Balance at 1 July 2019	38,486,633	(37,637,636)	33,377,786	34,226,783	(2,196)	34,224,587
Changes in equity						
Deficit for the year	-	(10,315,985)	-	(10,315,985)	-	(10,315,985)
Other comprehensive income	-	(2,196)	-	(2,196)	2,196	-
Total comprehensive income	-	(10,318,181)	-	(10,318,181)	2,196	(10,315,985)
Capital Contribution	-	130,795	-	130,795	-	130,795
Balance at 30 June 2020	38,486,633	(47,825,022)	33,377,786	24,039,397	-	24,039,397
Changes in equity						
Deficit for the year	-	(2,422,460)	-	(2,422,460)	-	(2,422,460)
Total comprehensive income	-	(2,422,460)	-	(2,422,460)	-	(2,422,460)
Transfer between reserves	-	33,377,786	(33,377,786)	-	-	-
Balance at 30 June 2021	38,486,633	(16,869,696)	-	21,616,937	-	21,616,937

There was a transfer of reserves in the current year as a result of the disposal of Griffin Park in accordance with the terms of the Development Agreement. The transfer represents all upward revaluations of Griffin Park that has now been transferred from the revaluation reserve to retained earnings.

The notes form part of these financial statements

Brentford FC Ltd

**Company Statement of Changes in Equity
for the Year Ended 30 June 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 July 2019	38,486,633	(52,650,009)	33,377,786	19,214,410
Changes in equity				
Deficit for the year	-	(9,793,462)	-	(9,793,462)
Total comprehensive income	-	(9,793,462)	-	(9,793,462)
Capital Contribution	-	130,795	-	130,795
Balance at 30 June 2020	38,486,633	(62,312,676)	33,377,786	9,551,743
Changes in equity				
Profit for the year	-	13,867,331	-	13,867,331
Total comprehensive income	-	13,867,331	-	13,867,331
Transfer between reserves	-	33,377,786	(33,377,786)	-
Balance at 30 June 2021	38,486,633	(15,067,559)	-	23,419,074

There was a transfer of reserves in the current year as a result of the disposal of Griffin Park in terms of the Development Agreement. The transfer represents all upward revaluations of Griffin Park that has now been transferred from the revaluation reserve to retained earnings.

The notes form part of these financial statements

Brentford FC Ltd

**Consolidated Cash Flow Statement
for the Year Ended 30 June 2021**

		30/6/21 £	30/6/20 £
	Notes		
Cash flows from operating activities			
Cash outflow from operations	1	(24,033,350)	(7,429,228)
Tax paid		(24,266)	-
Net interest		<u>471,995</u>	<u>(237,025)</u>
Net cash outflow from operating activities		<u>(23,585,621)</u>	<u>(7,666,253)</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(30,932,673)	(20,671,926)
Purchase of tangible fixed assets		(2,440,516)	(3,899,562)
Sale of intangible fixed assets		38,153,129	28,382,413
Sale of tangible fixed assets		<u>2,471,728</u>	<u>5,856</u>
Net cash from investing activities		<u>7,251,668</u>	<u>3,816,781</u>
 Cash flows from financing activities			
New loans in year		13,229,703	9,459,986
Loan repayments in year		-	(6,573,000)
Proceeds from other secured borrowings		-	14,224,711
Proceeds from other unsecured borrowings		<u>-</u>	<u>584,000</u>
Net cash from financing activities		<u>13,229,703</u>	<u>17,695,697</u>
 (Decrease)/increase in cash and cash equivalents		 <u>(3,104,250)</u>	 <u>13,846,225</u>
Cash and cash equivalents at beginning of year	2	<u>16,010,360</u>	<u>2,164,135</u>
 Cash and cash equivalents at end of year	2	 <u><u>12,906,110</u></u>	 <u><u>16,010,360</u></u>

The notes form part of these financial statements

Brentford FC Ltd

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2021**

1. Reconciliation of loss before taxation to cash generated from operations

	30/6/21 £	30/6/20 £
Loss before taxation	(8,499,171)	(9,060,546)
Depreciation charges	2,808,034	498,334
Amortisation of intangible assets	13,342,772	11,455,427
Gain on disposal of intangible assets	(44,258,876)	(24,900,057)
Loss/(Profit) on sale of tangible assets	118,638	45,338
Finance costs	1,267,082	1,796,384
Finance income	<u>(1,739,077)</u>	<u>(1,934,901)</u>
	(36,960,598)	(22,100,021)
(Increase)/decrease in stocks	(89,751)	3,529
Decrease in trade and other debtors	301,576	4,228,746
Increase in trade and other creditors	<u>12,715,423</u>	<u>10,438,518</u>
Cash outflow from operations	<u>(24,033,350)</u>	<u>(7,429,228)</u>

2. Cash and cash equivalents

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

Year ended 30 June 2021

	30/6/21 £	1/7/20 £
Cash and cash equivalents	8,029,524	16,010,360
Restricted Cash	<u>4,876,586</u>	<u>-</u>
Total	<u>12,906,110</u>	<u>16,010,360</u>

Year ended 30 June 2020

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

The notes form part of these financial statements

Brentford FC Ltd

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2021**

3. Analysis of changes in net (debt)/funds

	At 1/7/20 £	Cash flow £	At 30/6/21 £
Net cash			
Cash and cash equivalents	16,010,360	(7,980,836)	8,029,524
Restricted cash	<u>-</u>	<u>4,876,586</u>	<u>4,876,586</u>
	<u>16,010,360</u>	<u>(3,104,250)</u>	<u>12,906,110</u>
 Debt			
Debts falling due within 1 year	(28,383,369)	(13,924,711)	(42,308,080)
Debts falling due after 1 year	<u>(45,866,110)</u>	<u>7,526,459</u>	<u>(38,339,651)</u>
	<u>(74,249,479)</u>	<u>(6,398,252)</u>	<u>(80,647,731)</u>
 Total	<u>(58,239,119)</u>	<u>(9,502,502)</u>	<u>(67,741,621)</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2021**

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.

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 2022/23 football season, taking into account both Premier League retention and relegation scenarios at the end of the 2021/22 season.

Promotion to the Premier League for the 21/22 season provides significant financial benefit to the Club, by way of much-increased central distributions, supplemented by increases in commercial and matchday revenue. This has enabled the Club, post year end, to settle all COVID-19-related funding, including deferred player wages and EFL loans.

Naturally, with promotion to the Premier League, the Club's cost base has also increased, primarily due to the investment in the playing squad and an increase in player wage bill (including promotion bonuses and potential Premier League retention bonuses), both of which should enable the Club to compete successfully at this higher level.

These outgoings, combined with the uneven spread of central distributions across the year, means the Club has executed a £20m overdraft facility with Barclays to fund any monthly cash shortfalls in the 21/22 season. The 21/22 cashflow projections indicate that this facility is not required beyond January 2022, the typical cash low point in the season for football clubs. However, should the Club require it, this facility will be available until at least August 2022. This provides the Club with the comfort that, even under a further COVID-19-impacted winter, the lost revenue would be covered by the committed facilities available. In the event of a reasonable downside scenario, Barclays have indicated a willingness to extend the facility, with a reduced cap of £10m in year 1 of parachute payments (22/23 season) and £5m in year 2 of parachute payments (23/24 season).

In addition to the Barclays facility there are two alternative sources of finance available to the Club, namely player trading, in the ordinary course of football operations, and the continued support of the shareholder. Historically, the Club has demonstrated significant success in the player transfer market and, with a squad proving its capabilities in the Premier League, would expect to do so again if required. Furthermore, the Directors are in constant communication with the shareholder, and he has provided assurances of his intention to provide further funds to the company and group if required. Based on management's forecasts for the period to 30 June 2023, neither of these two additional funding sources is expected to be required.

Taking the above factors into account, the Directors have not identified any material uncertainty that may give rise to significant doubt with regard to going concern. They therefore consider 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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

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 2021 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.

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.

(c) New Stadium

The useful life of each asset has been considered and the depreciation rates have been assessed to reflect management's best estimate for the assets capitalised within each category.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

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 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.

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.

Tangible fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Tangible fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

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. A subsequent further uplift in valuation occurred on signing the Development Agreement.

During the year the freehold land and buildings at Griffin Park were disposed of to the Developer under the Development Agreement.

The Brentford Community Stadium, on which practical completion was achieved on 6 August 2020 and operational completion on 24 August 2020, is leased by the company from a subsidiary company and is recorded within tangible assets across existing asset categories on the balance sheet.

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

Planning costs for the redevelopment of the training facilities at Jersey Road, 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.

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 50 years on a straight-line basis
Freehold buildings	Over 50 years on a straight-line basis
Plant and machinery	5 - 30 years on a straight-line basis
Fixtures and fittings	5 - 30 years on a straight-line basis
Pitch turfing and drainage	5 - 20 years on a straight-line basis
Freehold land	Nil on cost
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. No indicators of material impairment were identified in the year.

Valuation of investments

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

Stocks

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

Cash and cash equivalents

Cash represents cash in hand and deposits with banks and other financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents include short-term deposits with banks and other financial institutions with a maturity date of three months or less from the date of acquisition.

The Group Cash Flow Statement shows the cash and cash equivalents net of bank overdrafts that are repayable on demand and form an integral part of the cash flow management.

Restricted cash

Restricted cash that forms part of cash and cash equivalents, is reported separately from unrestricted cash and cash equivalents on the statement of financial position. Restricted cash is classified as either a current or non-current asset depending on the timing of its expected future use. Restricted cash is reported as a separate component of cash and cash equivalents within the cash flow statement.

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;
- 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.

The group recognises government grants related to the Coronavirus Job Retention Scheme as other income when the grant becomes receivable.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of the estimated useful economic life and the term of the lease.

All other leases are treated as operating leases.

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.

Loan players

Loan player costs or income are recognised over the loan period on a straight-line basis. Where a player loaned out becomes a permanent transfer within the original loan period the remaining loan fee, where not repayable, is recognised as part of the profit or loss on disposal. Where a player loaned in becomes a permanent transfer within the original loan period any costs yet to be released, where not repayable, are capitalised as part of the asset value associated with the player.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

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 2021 £	Year ended 30 June 2020 £
Analysis by class of business:		
League & FA	8,383,427	6,380,419
Ticketing	155,494	3,086,029
Commercial	2,738,690	1,482,379
Retail	885,824	804,465
Catering	-	451,180
Other Football Income (incl. televised games)	2,314,106	880,968
Media and Membership	432,304	161,633
Other income	433,705	660,175
	15,343,550	13,907,248

Turnover arises solely within the United Kingdom.

3. Other operating income

	30/6/21 £	30/6/20 £
Rents received	63,559	241,726
Grant income	399,092	635,424
Loan player revenue	1,736,475	61,314
Insurance income	27,204	64,848
Other Income	623,985	-
	2,850,315	1,003,312

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

3. Other operating income - continued

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.

Other income relates to received and accrued compensation from UEFA for those players, registered with the Club, who competed in the European Championship qualifying and final stages.

4. Employees and directors

	30/6/21	30/6/20
	£	£
Wages and salaries	36,476,072	22,891,131
Social security costs	4,827,039	2,824,545
Other pension costs	<u>138,050</u>	<u>146,239</u>
	<u>41,441,161</u>	<u>25,861,915</u>

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

	30/6/21	30/6/20
Administration and Commercial Staff	71	70
Player and training staff	<u>95</u>	<u>101</u>
	<u>166</u>	<u>171</u>

Included in the amounts above is a total of £4,004,736 (2020: £2,206,234) that relates to deferred salaries and associated costs for which there is an accrual on the balance sheet. These deferrals have all been fully settled subsequent to year end.

The above figures also include promotion related payments to players and staff of £11,955,766 (2020: £nil).

Directors of the company received £459,513 in emoluments during the current year (2020: £290,513). The highest paid director received £151,892 (2020: £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.

Remuneration in respect of Key Management Personnel (excluding directors) was £2,041,454 (2020: £661,223).

Amounts totalling £3,325 were paid to the group's defined contribution pension scheme relating to directors during the year (2020: £3,412).

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

5. Operating loss

The operating loss is stated after charging:

	30/6/21	30/6/20
	£	£
Other operating leases	344,307	336,103
Depreciation - owned assets	2,808,034	498,334
Loss on disposal of fixed assets	-	6,261
Player Registrations amortisation	13,342,772	11,455,427
Auditor's remuneration for services in respect of these financial statements	62,000	42,063
Fees paid to auditors for tax advice	16,365	12,000
Fees paid to auditors for other audit related services	10,000	10,000
Foreign exchange differences	<u>44,829</u>	<u>206,737</u>

6. Gain on disposal of players' registrations

	30/6/21	30/6/20
	£	£
Gain on disposal of players' registrations	<u>44,258,876</u>	<u>24,900,057</u>

7. Interest receivable and similar income

	30/6/21	30/6/20
	£	£
Unwinding of discount on player debtors	1,739,050	1,916,022
Other interest received	<u>27</u>	<u>18,879</u>
	<u>1,739,077</u>	<u>1,934,901</u>

8. Interest payable and similar expenses

	30/6/21	30/6/20
	£	£
Loan interest	28,883	-
Interest on factoring of player debtors	473,541	237,025
Unwinding of discount on player creditors	<u>764,658</u>	<u>1,559,359</u>
	<u>1,267,082</u>	<u>1,796,384</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2021

9. Taxation

With the exception of the £24,266 (2020: £nil) in the table below, no current tax has been charged or credited to the statement of comprehensive income in either the current or prior year.

The total tax assessed for the year differs from the standard rate of corporation tax in the UK applied to the loss before tax. The differences are explained below.

	30/06/21 £	30/06/20 £
Loss on ordinary activities before tax	(8,499,171)	(9,060,546)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	(1,614,842)	(1,721,504)
Effect of:		
Fixed asset differences	370,572	155,709
Expenses not deductible for tax purposes	431,927	19,083
Other tax adjustments, relief, and transfers	405,663	36,058
Allowances receivable on rolled over gains	(1,150,410)	-
Adjustments in respect of prior periods	24,266	-
Adjustments in respect of prior periods (deferred tax)	182,628	24,475
Remeasurement of deferred tax for changes in tax rates	1,232,292	236,648
Deferred tax asset (recognition) / non-recognition on trading losses	(5,958,807)	2,504,970
Total tax (credit) / charge for the year	<u>(6,076,711)</u>	<u>1,255,439</u>

The group has losses amounting to £32.4m (£60.6m) available to be carried forward and offset against future trading profits and in respect of which no deferred tax has been recognised, due to the uncertainty of sufficient trading losses being available.

Factors that may affect future tax charges:

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 30 June 2021. It was announced on 3 March 2021 that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits.

The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now considered substantively enacted.

If the unwinding of the deferred tax asset occurs during or after the tax year commencing 1 April 2023, they will unwind based on the above new rates.

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

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.

11. Intangible fixed assets

Group and company

	Player Registrations £
Cost	
At 1 July 2020	54,764,160
Additions	21,885,384
Disposals	<u>(8,525,955)</u>
At 30 June 2021	<u>68,123,589</u>
Amortisation	
At 1 July 2020	23,007,716
Amortisation for year	13,342,772
Eliminated on disposal	<u>(6,234,339)</u>
At 30 June 2021	<u>30,116,149</u>
Net book value	
At 30 June 2021	<u>38,007,440</u>
At 30 June 2020	<u>31,756,444</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

12. Tangible fixed assets

Group	Freehold Land & Buildings £	Leasehold Property £	Pitch & Drainage £	Plant & Machinery £	Fixtures & Fittings £	Assets in the course of construction £	Totals £
Cost or valuation							
At 1 July 2020	35,818,638	1,889,525	854,082	2,787,262	727,412	23,722,857	65,799,776
Additions	34,449,249	-	1,122,731	6,687,637	10,737,117	2,115,168	55,111,902
Disposals	(35,700,000)	-	-	(3,653)	-	-	(35,703,653)
Impairments	(118,638)	-	-	-	-	-	(118,638)
Reclassification/transfer	13,726,129	-	438,751	3,974,332	5,783,100	(23,922,312)	-
At 30 June 2021	48,175,378	1,889,525	2,415,564	13,445,578	17,247,629	1,915,713	85,089,387
Depreciation							
At 1 July 2020	-	1,889,525	754,947	2,434,548	649,022	-	5,728,042
Charge for year	811,736	-	210,481	967,670	818,147	-	2,808,034
Eliminated on disposal	-	-	-	(3,653)	-	-	(3,653)
At 30 June 2021	811,736	1,889,525	965,428	3,398,565	1,467,169	-	8,532,423
Net book value							
At 30 June 2021	47,363,642	-	1,450,136	10,047,013	15,780,460	1,915,713	76,556,964
At 30 June 2020	35,818,638	-	99,135	352,714	78,390	23,722,857	60,071,734

On 15 September 2020 the freehold property, the stadium at Griffin Park, was disposed of to a third-party developer under the Development Agreement. The only freehold land remaining relates to a piece of land, held by a subsidiary company, adjacent to the Brentford Community Stadium that has been transferred from assets in the course of construction in the year.

Practical completion of The Brentford Community Stadium was achieved on 6 August 2020 and operational completion on 24 August 2020, after the safety certificate was issued.

In the table above the total stadium value capitalised cost as at year end is £76.2m and is split across additions and reclassification from assets in the course of construction.

All fixed assets at year end are held at cost less accumulated depreciation.

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

12. Tangible fixed assets - continued

Company	Freehold Land £	Leasehold Property £	Pitch & Drainage £	Plant & Machinery £	Fixtures & Fittings £	Assets in the course of construction £	Totals £
Cost or valuation							
At 1 July 2020	35,700,000	1,889,525	854,082	2,785,802	725,219	3,034,336	44,988,964
Additions	-	47,911,647	1,561,482	9,301,094	14,932,948	599,123	74,306,294
Disposals	(35,700,000)	-	-	-	-	-	(35,700,000)
Reclassification/transfer	-	-	-	1,360,875	1,587,149	(2,948,024)	-
At 30 June 2021	-	49,801,172	2,415,564	13,447,771	17,245,316	685,435	83,595,258
Depreciation							
At 1 July 2020	-	1,889,525	754,947	2,432,950	646,847	-	5,724,269
Charge for year	-	811,736	210,481	967,670	818,147	-	2,808,034
At 30 June 2021	-	2,701,261	965,428	3,400,620	1,464,994	-	8,532,303
Net book value							
At 30 June 2021	-	47,099,911	1,450,136	10,047,151	15,780,322	685,435	75,062,955
At 30 June 2020	35,700,000	-	99,135	352,852	78,372	3,034,336	39,264,695

On 15 September 2020 the freehold property, the stadium at Griffin Park, was disposed of to a third-party developer under the Development Agreement.

Practical completion of The Brentford Community Stadium was achieved on 6 August 2020 and operational completion on 24 August 2020, after the safety certificate was issued. Brentford Football Club have held a 250-year lease on the new stadium since July 2018 and hence the stadium additions are classified as leasehold properties in the financial statements at Company only level.

In the table above the total stadium value capitalised cost as at year end is £76.2m and is split across additions and reclassification from assets in the course of construction.

All fixed assets at year end are held at cost less depreciation.

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

13. Fixed asset investments

Company

	Group undertakings £	Total £
Cost or Valuation At 1st July 2020	52,505	52,505
At 30th June 2021	<u>52,505</u>	<u>52,505</u>

The parent company has investments in the following subsidiary undertakings incorporated in England and Wales whose principal activity is to progress various aspects of the development of 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 registered address of all subsidiary undertakings is 27 Great West Road, Brentford, TW8 9BW.

14. Stocks

	Group and Company	
	30/6/21 £	30/6/20 £
Stock	<u>212,003</u>	<u>122,252</u>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

15. Debtors

	Group		Company	
	30/6/21	30/6/20	30/6/21	30/6/20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	455,186	286,071	455,186	286,071
Player debtors	19,253,750	14,141,226	19,253,750	14,141,226
Amounts owed by group undertakings	-	-	-	6,381
Other debtors	1,068,639	762,371	1,017,173	549,961
Prepayments and accrued income	<u>1,798,012</u>	<u>25,638,959</u>	<u>1,489,980</u>	<u>1,838,959</u>
	<u>22,575,587</u>	<u>40,828,627</u>	<u>22,216,089</u>	<u>16,822,598</u>
 Amounts falling due after more than one year:				
Player debtors	19,688,168	7,502,951	19,688,168	7,502,951
Prepayments and accrued income	<u>414,898</u>	<u>1,150,910</u>	<u>414,898</u>	<u>1,150,910</u>
	<u>20,103,066</u>	<u>8,653,861</u>	<u>20,103,066</u>	<u>8,653,861</u>
 Aggregate amounts	<u>42,678,653</u>	<u>49,482,488</u>	<u>42,319,155</u>	<u>25,476,459</u>

16. Restricted Cash

Restricted cash represents an amount of cash held by the lawyers of a subsidiary company. This cash can only be utilised specifically for the settlement of the Capital Court proceedings with which the subsidiary company is involved. These amounts are included within current assets as they are expected to be utilised or released to unrestricted cash within 12 months of year end (refer to note 24).

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

17. Creditors: amounts falling due within one year

	Group		Company	
	30/6/21	30/6/20	30/6/21	30/6/20
	£	£	£	£
Trade creditors	1,398,878	1,247,859	773,710	767,980
Player creditors	15,710,659	15,488,640	15,710,659	15,488,640
Amounts owed to group undertakings	-	-	21,207,430	-
Taxation and social security	2,423,062	932,005	2,422,307	931,033
Other creditors	150,411	48,351	137,502	48,351
Other loans	13,443,709	679,911	13,443,709	679,911
Other secured borrowings	6,461,229	7,045,227	6,461,229	7,045,227
Shareholder loans	22,403,142	21,338,142	-	-
Deferred Income	9,601,056	5,509,441	9,601,056	5,509,441
Accrued expenses	<u>27,912,715</u>	<u>20,260,584</u>	<u>21,240,139</u>	<u>9,011,690</u>
	<u>99,504,861</u>	<u>72,550,160</u>	<u>90,997,741</u>	<u>39,482,273</u>

Shareholder loans relate to loans by the shareholder to a subsidiary company and represent amounts falling due within one year or on demand. These loans are interest free and unsecured.

Other secured borrowings of £6.5m (2020: £7m) 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%.

Included within other loans are the following:

- EFL loans of £7.9m (2020: £0.6m) which are interest free and secured by future distributions that would otherwise be received from the EFL. This was fully repayable on receipt of the first distribution from the Premier League.
- A loan from FC Midtjylland of £4.9m (2020: £0) which is unsecured, repayable on demand and bears interest at the rate of 1% per annum.
- Bees United loans of £0.7m (2020: £0.7m) which are repayable on demand and interest free and of which £0.4m is secured by legal charges over the group's freehold property.

Included within accrued expenses are deferred wages of £4.0m which have been fully repaid subsequent to year end.

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

	Group		Company	
	30/6/21	30/6/20	30/6/21	30/6/20
	£	£	£	£
Other secured borrowings	-	7,526,459	-	7,526,459
Player creditors	3,721,684	936,138	3,721,684	936,138
Shareholder loans	38,339,651	38,339,651	38,339,651	38,339,651
Accrued expenses and deferred income	<u>1,688,317</u>	<u>2,221,526</u>	<u>1,688,317</u>	<u>2,221,526</u>
	<u>43,749,652</u>	<u>49,023,774</u>	<u>43,749,652</u>	<u>49,023,774</u>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

18. Creditors: amounts falling due after more than one year - continued

Shareholder loans are interest free, secured by legal charges and debentures over the group's assets and are repayable after a continually rolling notice period of 367 days, if called. These loans are discounted at a rate of 12.5%.

There was no pre discounting capital contribution in the period (2020: £1,177,146). The undiscounted loan balance as at 30 June 2021 and 2020 amounts to £43,132,107).

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

19. Provisions for liabilities

Group:

	Deferred tax £	Other £	2021 Total £
At 1 July 2020	11,195,436	634,511	11,829,947
Movement in provision	(6,100,977)	(239,250)	(6,340,227)
At 30 June 2021	<u>5,094,459</u>	<u>395,261</u>	<u>5,489,720</u>

	Deferred tax £	Other £	2020 Total £
At 1 July 2019	9,939,997	884,511	10,824,508
Movement in provision	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>

Company:

	Deferred tax £	Other £	2021 Total £
At 1 July 2020	11,195,436	634,511	11,829,947
Movement in provision	(6,100,977)	(239,250)	(6,340,227)
At 30 June 2021	<u>5,094,459</u>	<u>395,261</u>	<u>5,489,720</u>

	Deferred tax £	Other £	2020 Total £
At 1 July 2019	9,939,997	884,511	10,824,508
Movement in provision	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>

Brentford FC Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

19. Provisions for liabilities - continued

Deferred tax

The group has a provision relating to deferred tax totalling a net liability figure of £5,094,459.

A net deferred tax liability of £5,860,593 (2020: £6,341,779) relates to the unrealised gain on the disposal of the freehold stadium at Griffin Park. Further to the disposal of Griffin Park in September 2020 no crystallisation of the liability has occurred as a result of rollover relief being available following completion of the new Brentford Community Stadium.

A net deferred tax liability of £795,838 (2020: £4,853,657) 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.

A net deferred tax liability of £303,686 (2020: £nil) relates to the timing differences arising on capital allowances versus depreciation charge. Details of trading losses in relation to which no deferred tax asset has been recognised are provided in note 9.

In addition to amounts offset against liabilities above, a further deferred tax asset of £1,865,658 (2020: £nil) has been recognised in respect of trading losses carried forward.

Other

The group has a balance of £395,261 (2020: £634,511) related to an obligation for payment of lease contracts pertaining to assets previously used at Griffin Park. In the period £239,250 (2020: £250,000) of this was paid and payments have continued in this regard subsequent to year end.

20. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	value:	30 June 2021 £	30 June 2020 £
557,281	Ordinary shares	£25.00	13,932,025	13,932,025
24,554,608	Preference shares	£1.00	24,554,608	24,554,608
1	BU Special share	£0.01	-	-
			<u>38,486,633</u>	<u>38,486,633</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2021

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 £24,667,541 (2020: £17,504,047).

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 2021 total £9,461,985 (2020: £11,850,987).

Consideration is receivable contingent on certain property 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.

22. Commitments under operating leases

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

	30 June 2021 £	30 June 2020 £
Not later than 1 year	265,767	500,881
Later than 1 year and not later than 5 years	169,400	709,860
	<u>435,167</u>	<u>1,210,741</u>

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2021

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. Included in the membership of Bees United is Stewart Purvis who is also a director of the company.

Bees United has made interest free loans totalling £679,911 (2020: £679,911) to the company at the year end of which £402,000 (2020: £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 (2020: £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 £803,413 (2020: £696,898). Of these purchases £287,021 (2020: £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 2021, the group owed £6,000 (2020: £133,530).

During the year FC Midtjylland, a club in which Matthew Benham is a majority shareholder, made an unsecured loan to the company. This loan is repayable on demand and is interest bearing. The balance of this loan at year end was £4,891,048.

Mr M Benham has made loans to Brentford FC Ltd and Lionel Road Developments Ltd of £65,535,250 (2020: £64,470,250). 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, hence the loan valuation disclosed in note 18 is at a lower amount than the above.

During the year, the company has paid £26,275 (2020: £20,025) 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 2021 (2020: £nil).

Brentford FC Ltd

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2021

24. Post balance sheet events

Player trading

Subsequent to year end, in readiness for the 21/22 Premier League season, the Club acquired the registrations of the following first team players:

- Kristoffer Ajer (Celtic FC) 17 July 21
- Frank Onyeka (FC Midtjylland) 18 July 21
- Myles Peart-Harris (Chelsea FC) 23 July 21
- Yoane Wissa (FC Lorient) 6 August 21
- Alvaro Fernandez (SD Huesca) 10 August 21 - loan transfer
- Mathias Jorgensen (Free transfer) 9 September 21

In respect of departures, the following first team players departed the Club after the finalisation of the 20/21 season:

- Henrik Dalsgaard (end of contract)
- Luke Daniels (end of contract)
- Emiliano Marcondes (end of contract)
- Patrik Gunnarson (Viking FK) 27 August 21 - loan transfer
- Halil Dervisoglu (Galatasaray) 1 September 21 - loan transfer

In addition to the above there were several B team arrivals and departures.

Capital Court Tribunal Decision

As part of the Brentford Community Stadium development, a Compulsory Purchase Order was issued on 1st September 2016 by the London Borough of Hounslow for the area of land known as Capital Court, Interchange Way, previously owned by Pro Investments Limited. Valuation of the land was in dispute since that time and the matter went to Tribunal at the Royal Court of Justice in April 2021. On 6th September 2021 the Tribunal formally issued their decision resulting in a total settlement figure (excluding costs) due to Pro Investments Limited. Full provision has been made within the Brentford FC Group and Lionel Road Development Limited company accounts as at 30th June 2021 for the final settlement liability.