

The Brighton and Hove Albion Football Club Limited

Registered number 00081077

Directors' report and financial statements

For the year ended 30 June 2013

THURSDAY



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THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors

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

Company secretary

R F Comer

Registered number

00081077

Registered office

American Express Community Stadium
Village Way
Brighton
BN1 9BL

Independent auditors

Mazars LLP
Chartered Accountants & Statutory Auditor
37 Frederick Place
Brighton
BN1 4EA

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

CONTENTS

	Page
Directors' Report	1 - 4
Independent Auditors' Report	5 - 6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 - 17

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements for the year ended 30 June 2013

Directors' responsibilities statement

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

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

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

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

Principal activities

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

Business review

Financial	2013	2012
	£000	£000
Turnover	23,389	22,192
Administrative and Operational Costs	-17,174	-16,027
Operating profit before football costs	6,215	6,165
Football Costs	-20,974	-14,756
Operating loss	-14,759	-8,591

The financial results for the year to 30 June 2013 reflect the Club's second year at the American Express Community Stadium and show a reasonable increase in turnover from £22.1m to £23.3m, despite the central

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

contribution from the Football League falling by close to £1m. However, operating losses increased from £8.6m to £14.7m.

The increased operating loss arises primarily due to a 42% increase in football costs from £14.8m to £21m. This was a result of new signings and an increase in player wages as the Club made a concerted effort to achieve promotion to the Premier League, in its second season back in the Championship. The result was that we narrowly missed out on automatic promotion finishing in fourth place in the Championship and subsequently losing in the playoff semi final.

The financial highlights are as follows -

- Ticketing Income £8.7m (2012: £7.9m). The average attendance was a very pleasing 26,236 (2012: 20,028), the highest in the Championship. The capacity of the stadium was increased in two stages during the season. Following completion of the Upper tier of the East Stand in July 2012 the capacity increased from 22,500 to 27,444 and with the completion of all 4 corners in March 2013 the capacity further increased to 30,500.
- Football League Income £4.8m (2012: £5.7m). Central income has decreased following the reduced Football League deal with BSkyB.
- Commercial Income £4.2m (2012: £3.9m). The increase in commercial revenue was due to new sponsorship opportunities and increased 1901 membership in the South Lounge.
- Retail Income £1.4m (2012: £2.0m). Retail sales were down primarily due to reduced replica kit sales as the Club entered the second year of its kit cycle.
- Administrative and operational costs £17.2m (2012: £16.0m). These costs were reasonably in line with the previous period other than some exceptional costs which were losses incurred as a result of a staff redundancy programme.
- Football Costs £21m (2012: £14.8m). Football costs include player's wages, coaching and support staff wages, training ground costs, the academy and player trading costs.

This is the second year of the Football League's Financial Fair Play Rules for Championship clubs. In view of the size of the loss reported by the Club, we will be reporting a Financial Fair Play deficit for the 2012/13 season. There are, however, no sanctions based on the 2012/13 season. Sanctions in the form of transfer embargo's and financial penalties will be applicable for the 2013/14 season for Clubs that report a loss in excess of the Permitted Allowances. The maximum Permitted Allowance for the 2013/14 season is £8m. The Club has therefore been working hard to increase its revenues and reduce its costs so that it can report a positive Financial Fair Play result for the 2013/14 season, whilst at the same time ensuring it can provide as competitive a playing squad as possible.

These results demonstrate the significant cost of maintaining a competitive, promotion challenging squad in the Championship. They also show the significant work the Club still needs to do in the areas of revenue generation and cost reduction, in what remains a difficult economic environment for many.

Playing Matters

The Club had a successful season in the Championship finishing in 4th position with 75 points, showing good progress from the previous season when the Club finished in 10th position with 66 points. In the FA Cup, the Club had a very good home win against Newcastle United before losing narrowly in the next round 3-2 against Arsenal.

During the season the playing squad was strengthened considerably with the addition of Bruno Saltor, David Lopez, Andrea Orlandi, Andrew Crofts, Stephen Dobbie, Tomasz Kuszczak, and Leonardo Ulloa together with loan signings Wayne Bridge and Dean Hammond.

At the end of the season a change to the football management team was made and Oscar Garcia, Juan Torrijo

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

Navaro, Ruben Martinez and Nathan Jones were brought in

Academy

During the 2012/13 season the Club was delighted to apply for and be awarded a Category 2 Academy Licence. Whilst this attracts funding of £480k per annum, the cost of running the academy increased from £560k to £1,386k. The academy continues to expand and gear up in preparation for the move to the new training ground in the summer of 2014.

Sponsors

We are delighted that with effect from the 2013/14 season American Express has entered into a multi-year agreement to sponsor the home and away shirts, of both men and women's teams, to go alongside their commitment to the stadium naming rights sponsorship.

We would also like to thank Brighton and Hove Jobs and Donatello's for their shirt sponsorship, our lounge sponsors BUPA, Overline, Chandlers BMW, Renault Lifestyle, Becks Peugeot, Heineken, Harveys and Mayo Wynne Baxter and our many match day sponsors and Friends of the Albion members.

Supporters and Staff

The Board would like to take this opportunity to thank the supporters for their continued fantastic support and would also like to thank all our staff for their hard work and commitment particularly during a difficult summer of cost reduction measures.

Future Developments

The Community Stadium Ltd ('TCSL') a fellow subsidiary company of Brighton and Hove Albion Holdings Ltd completed the construction of the American Express Community Stadium during the financial year. The Company is now engaged in the construction of a brand new state of the art training facility in Lancing. This project estimated at circa £30m will include 13 external pitches plus 1 indoor astro pitch, 1 futsal pitch, a fully equipped gym with rehabilitation and hydrotherapy area, as well as changing rooms, catering facilities and office accommodation. The facility will be home to the first team, the academy and all football operations staff, as well as having an element of community use. It is anticipated the facility will be complete in time for the start of the 2014/15 season.

The Company continues to explore new commercial opportunities and is currently considering the construction of a hotel on the AMEX (American Express) site and also student accommodation in the nearby area.

Funding

The Board would like to place on record its sincere thanks to its Chairman Tony Bloom for personally providing the funding to take the Club forward. Not only has Tony provided interest free funding to build the American Express Community stadium and the new training ground project, he has also covered the losses to date and is committed to funding future losses. The significant cost of running a Championship football club, challenging for a place in the Premier League, simply would not be possible without Tony's generous support.

Results and dividends

The loss for the year, after taxation, amounted to £14,756,989 (2012 - loss £8,598,281).

The directors are unable to recommend the payment of a dividend (2012 nil).

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

Directors

The directors who served during the year were

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

Disclosure of information to auditors

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

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

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on *27 Nov 2013* and signed on its behalf



R F Comer
Secretary

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

We have audited the financial statements of The Brighton and Hove Albion Football Club Limited for the year ended 30 June 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £14,756,989 during the year ended 30 June 2013 and at that date, the company's total liabilities exceeded its total assets by £52,207,606 and net current liabilities were £8,140,726.

The financial statements have been prepared on a going concern basis and the validity of this depends on the ability of the directors to generate sufficient further funding and the continued support of the directors in providing adequate loan facilities as explained in note 1.2 to the financial statements.

The financial statements do not include any adjustments that would result from a failure to obtain such funding and support.

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Alistair Fraser (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

37 Frederick Place
Brighton
BN1 4EA

Date 29/11/10

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £	2012 £
Turnover	1,2	23,389,185	22,192,554
Administrative expenses		(38,148,660)	(30,783,978)
		<hr/>	<hr/>
Operating loss	3	(14,759,475)	(8,591,424)
Interest receivable and similar income		8,065	645
Interest payable and similar charges	6	(5,579)	(7,502)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(14,756,989)	(8,598,281)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
Loss for the financial year	15	(14,756,989)	(8,598,281)
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

The notes on pages 9 to 17 form part of these financial statements

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

Registered number 00081077

BALANCE SHEET AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	8		5,749,678		4,423,682
Tangible assets	9		683,271		540,254
			<u>6,432,949</u>		<u>4,963,936</u>
Current assets					
Stocks	10	235,747		951,689	
Debtors	11	3,413,738		3,226,707	
Cash at bank and in hand		818,740		4,892,317	
		<u>4,468,225</u>		<u>9,070,713</u>	
Creditors amounts falling due within one year	12	(12,608,951)		(8,678,115)	
Net current (liabilities)/assets			<u>(8,140,726)</u>		<u>392,598</u>
Total assets less current liabilities			<u>(1,707,777)</u>		<u>5,356,534</u>
Creditors amounts falling due after more than one year	13		50,499,829		42,807,151
Capital and reserves					
Called up share capital	14	105,233		105,233	
Capital redemption reserve	15	7,941		7,941	
Profit and loss account	15	(52,320,780)		(37,563,791)	
	16		<u>(52,207,606)</u>		<u>(37,450,617)</u>
			<u>(1,707,777)</u>		<u>5,356,534</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 Nov 2013 .



D A Jones (Finance Director)
Director

The notes on pages 9 to 17 form part of these financial statements

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

The financial statements have been prepared on the going concern basis on the grounds that the Chairman of the ultimate holding company, Brighton and Hove Albion Holdings Limited has indicated his willingness to support the company by providing adequate loan facilities to enable the company to meet its financial obligations as they fall due for a period of at least twelve months from the date on which these financial statements are signed

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

1.3 Turnover

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

Match day revenue is recognised over the period of the football season as games are played Sponsorship and similar commercial income is recognised over the duration of the respective contracts Facility fees for live television coverage of games are taken when earned Fees receivable in respect of the loan of players are included in turnover over the period of the loan

1.4 Intangible fixed assets and amortisation

In accordance with FRS 10 player registrations are capitalised and written off over the period of the player's contract Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events These extra fees are capitalised and written off over the remaining period of the contract once the conditions have been met

Profits or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the applicable player's registration

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% straight line
Fixtures, fittings & equipment	-	20-33% straight line
Training ground improvements	-	20% straight line

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. Accounting Policies (continued)

1 7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1 9 Player remuneration

Signing on fees in respect of players contracts are expensed to the profit and loss account over the length of the contract. Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements and any discretionary bonuses when there is a legal or constructive obligation

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

2. Turnover

All turnover arose within the United Kingdom

	2013 £	2012 £
Ticketing	8,707,788	7,868,722
Football League and central distributions	4,790,713	5,694,728
Commercial sponsorship / advertising	4,204,166	3,941,071
Retail	1,369,429	2,020,631
Media	672,547	551,462
Catering income	1,775,086	1,251,906
Loan players	318,490	103,388
Operations and transport	789,613	404,421
Academy grant	523,096	194,400
Young seagulls	52,640	34,716
Other income	157,932	127,109
Women and girls	27,685	-
	<u>23,389,185</u>	<u>22,192,554</u>

3 Operating loss

The operating loss is stated after charging/(crediting)

	2013 £	2012 £
Amortisation - intangible fixed assets	2,671,137	2,132,324
Depreciation of tangible fixed assets		
- owned by the company	223,940	162,302
Auditors' remuneration	15,000	15,000
Profit on sale of intangible assets	(1,582,952)	(511,500)
Operating lease rentals - plant and machinery	33,723	64,383
Rent of Community Stadium	250,000	-
	<u></u>	<u></u>

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

4 Staff costs

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	18,926,659	13,227,093
Social security costs	2,056,869	1,359,685
Other pension costs	80,011	95,315
	<u>21,063,539</u>	<u>14,682,093</u>

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

	2013 No	2012 No
Players (including youth players)	59	56
Management and administration	180	122
	<u>239</u>	<u>178</u>

During the year, an average of 572 part-time staff (2012 - 495) were employed by the company for match days

5 Directors' remuneration

	2013 £	2012 £
Remuneration	<u>721,027</u>	<u>333,963</u>
Company pension contributions to defined contribution pension schemes	<u>80,011</u>	<u>56,089</u>
Compensation for loss of office	<u>-</u>	<u>74,880</u>

During the year retirement benefits were accruing to 3 directors (2012 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £480,002 (2012 - £142,887)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £32,500 (2012 - £38,309)

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

6 Interest payable

	2013 £	2012 £
On bank loans and overdrafts	-	31
On other loans	5,579	7,471
	<u>5,579</u>	<u>7,502</u>

7. Taxation

	2013 £	2012 £
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 20% (2012 - 20%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(14,756,989)</u>	<u>(8,598,281)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	(2,951,398)	(1,719,656)
Effects of.		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	678	33,756
Capital allowances for year in excess of depreciation	3,985	8,391
Short term timing difference leading to an increase (decrease) in taxation	1,939	890
Unrelieved tax losses carried forward	<u>2,944,796</u>	<u>1,676,619</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At 30 June 2013, the company had approximately £60,000,000 (2012 £45,500,000) of trading losses to carry forward

The company has a potential deferred tax asset of £12,069,328 (2012 £9,165,624) calculated at the tax rate of 20% (2012 20%) The deferred tax asset is represented by the total of tax losses of £12,000,000 (2012 £9,100,000), depreciation in excess of capital allowances of £64,619 (2012 £62,854) and other short term differences of £4,709 (2012 £2,770) The deferred tax asset has not been recognised as the directors cannot prudently forecast utilisation of the tax losses in the foreseeable future

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

8 Intangible fixed assets

	Player Registrations £
Cost	
At 1 July 2012	6,728,765
Additions	4,238,181
Disposals	(526,000)
At 30 June 2013	10,440,946
Amortisation	
At 1 July 2012	2,305,083
Charge for the year	2,671,137
On disposals	(284,952)
At 30 June 2013	4,691,268
Net book value	
At 30 June 2013	5,749,678
At 30 June 2012	4,423,682

The figures for cost of player registrations are historical cost figures for purchased players only. Accordingly the net book value shown for player registrations will not reflect, nor is it intended to, the current market value of these players nor does it take any account of players developed through the club's youth system.

The directors consider the net realisable value of intangible assets to be significantly greater than their book value.

9 Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Training ground improvements £	Total £
Cost				
At 1 July 2012	10,450	710,914	148,288	869,652
Additions	17,940	349,017	-	366,957
At 30 June 2013	28,390	1,059,931	148,288	1,236,609
Depreciation				
At 1 July 2012	5,226	254,282	69,890	329,398
Charge for the year	5,792	192,677	25,471	223,940
At 30 June 2013	11,018	446,959	95,361	553,338
Net book value				
At 30 June 2013	17,372	612,972	52,927	683,271
At 30 June 2012	5,224	456,632	78,398	540,254

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

10 Stocks

	2013 £	2012 £
Goods for resale	235,747	951,689

11 Debtors

	2013 £	2012 £
Trade debtors	2,291,968	2,354,934
Other debtors	157,178	94,245
Prepayments and accrued income	964,592	777,528
	3,413,738	3,226,707

12 Creditors

Amounts falling due within one year

	2013 £	2012 £
Other loans	233,882	233,882
Payments received on account	2,978,320	2,906,313
Trade creditors	4,580,230	2,636,704
Amounts owed to group undertakings	257,549	352,444
Other taxation and social security	1,420,856	1,131,431
Other creditors	398,135	625,095
Accruals and deferred income	2,739,979	792,246
	12,608,951	8,678,115

Barclays Bank plc and The Co-operative Bank plc hold charges over the company's assets. There were no outstanding liabilities at the year end.

13 Creditors.

Amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	50,499,829	42,807,151

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

14 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
320,932 Ordinary shares of £0.25 each	80,233	80,233
25,000 Ordinary A shares of £1 each	25,000	25,000
	<u>105,233</u>	<u>105,233</u>

15 Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 July 2012	7,941	(37,563,791)
Loss for the financial year	-	(14,756,989)
At 30 June 2013	<u>7,941</u>	<u>(52,320,780)</u>

16 Reconciliation of movement in shareholders' deficit

	2013 £	2012 £
Opening shareholders' deficit	(37,450,617)	(28,852,336)
Loss for the financial year	(14,756,989)	(8,598,281)
Closing shareholders' deficit	<u>(52,207,606)</u>	<u>(37,450,617)</u>

17 Pension commitments

The pension costs charged in the financial statements represent the contributions payable by the company to employees' personal pension plans during the year in accordance with FRS17

18 Contingencies - Transfer fees receivable/payable

Under the terms of contracts with other football clubs in regard to player transfers, additional fees could become receivable and payable if certain defined performance criteria are fulfilled. The maximum that could be receivable is £955,000 (2012 - £380,000) and the maximum that could become payable is £1,300,000 (2012 - £815,000).

THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

19 Related party transactions

Group

The company has taken advantage of the exemption in Financial Reporting Standard number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company and are publicly available

The company rents the American Express Community Stadium for a rent of £1 million per annum from a fellow subsidiary company, The Community Stadium Limited. The rental charge is effective from 1 April 2013.

Other

In the year under review, Adenstar Developments Limited, the holding company of which D L Chapman and R F Comer are directors, invoiced the company £11,145 (2012 - £95,117) for various building and construction work. During the year the company made payments to Adenstar Developments Limited of £11,145 (2012 - £153,936). At the year end, the company owed Adenstar Developments Limited an amount of £nil (2012 - £nil).

During the year the company invoiced Albion In The Community, a company in which D L Chapman and M Sugarman are trustees and directors, £106,746 (2012 - £31,267) for rent, stock and room hire. The company also made purchases of £620 (2012 - £320) from Albion In The Community. The company received monies in the amount of £nil (2012 - £144) and made payments in the amount of £320 (2012 - £258) and made additional donations of £nil (2012 - £155,201). At the year end the company was owed an amount of £113,013 (2012 - £6,268) by Albion In The Community and owed an amount of £620 (2012 - £320) to Albion In The Community.

20. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is Brighton and Hove Albion Holdings Limited, a company incorporated in England and Wales, by virtue of its 100% holding of the Company's issued share capital. As at 30 June 2013 the ultimate controlling party was A Bloom by virtue of his 91% shareholding.

The financial statements of the group (including the results of this company), may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.