

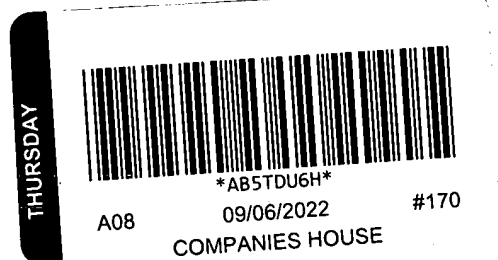
The Brighton and Hove Albion Football Club Limited

Report and Financial Statements

Year Ended

30 June 2021

Company Number 00081077



The Brighton and Hove Albion Football Club Limited

Report and financial statements for the year ended 30 June 2021

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Directors

A G Bloom (Chairman)
P J Barber (CEO)
R A Bloom
D L Chapman
R F Comer
A S Franks
P W Godfrey
M L Sugarman
M J Walder
P J Mullen

Secretary and registered office

R F Comer, American Express Community Stadium, Village Way, Brighton, BN1 9BL

Company number

00081077

Auditors

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

The Brighton and Hove Albion Football Club Limited

Strategic report for the year ended 30 June 2021

Introduction

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

Business review

	2021 £'000	2020 £'000
Turnover	139,731	123,291
Administrative and operational costs	(14,822)	(19,952)
Operating profit before football costs and depreciation	124,909	103,339
Depreciation	(1,886)	(1,684)
Player trading	(49,158)	(46,224)
Football costs	(120,389)	(114,850)
Operating loss before interest and taxation	(46,524)	(59,419)

Financial highlights

- Turnover decrease: 13.3%
- Administrative and operational cost decrease: 25.7%
- Operating profit before football costs and depreciation increase: 20.9%
- Player trading costs increase: 6.3%
- Football costs increase: 4.8%
- Operating loss of £59.4m has reduced to £46.5m

The financial results for the year ended 30 June 2021 reflect the fourth season in which Brighton & Hove Albion Football Club competed in the Premier League, this time finishing in 16th position (2020: 15th position). The financial results have been significantly impacted by the global Covid-19 pandemic, which saw all games played without fans, behind closed doors. This obviously led to a reduction in matchday income, but broadcasting income was largely unaffected for this season and the 2020-21 season benefits from revenue following the delayed conclusion of the 2019-20 season. The overall cost base has increased slightly, with continued investment in football costs and football facilities. Net player trading has increased by £2.9m, with player amortisation consistent year on year, but with impairment of player registrations (£9.4m) exceeding profit on disposal of registrations (£6.6m) by £2.8m. Significant player sales have taken place since the year end and the profit on player disposal will be reflected in the 2021-22 accounts.

The Brighton and Hove Albion Football Club Limited

Strategic report for the year ended 30 June 2021 (continued)

Financial highlights (continued)

The key financial highlights are as follows:-

- **Turnover**
Matchday income fell from £13.5m to £0.5m. Due to the Covid-19 pandemic all games in the 2020-21 season were played behind closed doors, whereas in the 2019-20 only the final 5 games were played behind closed doors, the other 14 Premier League home games in 2019-20 attracted an average attendance of 30,359. Broadcasting income increased from £89.9m to £123.0m. The final six games of the 2019-20 season were played in July 20, meaning a proportion of the broadcasting income for the 2019-20 season is reflected in the 2020-21 accounts. Both the 2019-20 and the 2020-21 seasons were impacted by rebates to broadcasters. Commercial income was also impacted by the lack of fans and reduction in matchday sponsorship income. Commercial income reduced from £9.5m to £8.3m. Other income decreased from £10.4m to £7.9m and consisted of income from players on loan. Other operating income of £2.5m has also been recognised from an insurance claim relating to the pandemic.
- **Administrative and operational costs**
The overall cost decrease was 25.7%. This reflects the savings in matchday operational costs as games were played without fans.
- **Player trading**
This represents the amortisation and impairment of purchased player registrations less the profit on sale of players. Player amortisation has increased from £45.6m to £46.4m. New players were added to the squad at a discounted value of £31.3m (2020: £55.6m). Profit on player disposals was £6.6m which compares with a loss on disposal of £0.6m in the previous accounting period and impairment of player registrations was £9.4m compared to £Nil in the previous accounting period.
- **Football costs**
Football costs, which include all costs associated with the running of the first team, development squad and youth academy, increased from £114.9m to £120.4m. This increase is primarily due to an increase in player and coaching staff wages, but also a continued investment in the youth academy and facilities at the training ground.
- **Balance sheet**
Whilst the Balance Sheet is showing a net liabilities position, funding for the company continues to be provided by its Chairman, Tony Bloom, by way of interest free loans and equity conversion. In addition, during the year an external loan of £37.3m was taken out. This is secured against Premier League receivables and repayable between July 2021 and September 2022.

The cost of purchased players, net of appropriate discounting on acquisition and less amortisation and impairment, are recorded in the accounts at £73.6m at the year end. This doesn't however reflect home grown players or the current market value of the playing squad, which in the opinion of the Board is considerably higher.

Profit and Sustainability Rules

The Premier League operates profitability and sustainability rules. Under the rules adjusted losses of £105m over a three year period are allowable. The operating profit or loss is adjusted for depreciation and allowable expenditure such as our investment in our Category 1 academy. The Club has complied with all of the Premier League's Rules for the 2020/21 season.

The Brighton and Hove Albion Football Club Limited

Strategic report for the year ended 30 June 2021 (continued)

Sponsors

The club is grateful to its many sponsors and business partners who continue to support the club's growth and progression. We would like especially like to thank American Express, Nike and SnickersUK. The club is also grateful for the continued support and hard work of Sodexo. As our catering and non-matchday events partner, Sodexo continue to provide an excellent service.

Supporters and Staff

The board would like to take this opportunity to thank the club's fans for their continued fantastic support, particularly through such difficult times due to the pandemic and in a season where most were unable to see very little, if any, football in person. We note the patience of our fans, and also the support of those we were able to welcome in limited numbers for their assistance in introducing and maintaining the Covid-19 measures as we worked back towards full capacity at the Amex. The season culminated in record season-ticket renewals and acquisitions ahead of the return of fans for the 2021/22 season.

The board would also like to thank all our staff for their continued hard work, commitment and professionalism, again during a difficult and uncertain period; and we note the additional hard work and commitment of so many of our workforce who helped us to introduce and fulfil the government's Covid-19 measures with regard to the return of fans.

Future developments

Retention of the club's Premier League status remains the primary objective, but as set out in the Chairman's Statement the club's vision is to be a top-ten club in the Premier League, and a top-four club in the Women's Super League.

Section 172 statement

Section 172 of the Companies Act 2006 requires the club's board of directors to take into consideration the interests of stakeholders and other matters in their decision making. The club's board continues to ensure the interests of all employees, supporters, partners, local community and other stakeholders are always given the fullest of consideration, and as a club and charity we have a number of initiatives aimed at regularly engaging with each of these groups.

Supporters

The club remains committed to listening to and engaging with supporters and encourage their feedback via a number of different communication methods.

We have held a number of in-person or virtual fans' forums, with key personnel at the club including the chairman, chief executive, technical director, head coach, several heads of departments and players, past and present meeting with supporters groups (see below).

Supporters can also engage via other channels including telephone, email, post or social media – with the club's chief executive known for his open policy in answering fan queries, often very late at night and always with in-depth responses.

We have also launched two new initiatives in line with the club's open and transparent approach to supporter communications.

Firstly, the club's supporters' groups network provides support to various fan groups, local, regional and global, or covering different groups within the community. This non-profit network is aimed at engaging directly with those groups and helping them grow and progress.

The Brighton and Hove Albion Football Club Limited

Strategic report for the year ended 30 June 2021 (*continued*)

Section 172 statement (*continued*)

Secondly, in February 2022 we announced the launch of a Fan Advisory Board, with the aim of having it in place for the 2022/23 season. Further details can be found in the club charter.

The board always has supporters at the forefront of their mind in the decision-making process.

Community

We remain committed to our local and global fan base and engaging with the local community across a wide spectrum of demographics. We continue to reach out to the more diverse groups within our community through various club and charity initiatives.

Albion in the Community continued their excellent work interacting with more than 40,000 people. Further details of Albion in the Community's work in this area can be found in their annual report. The club also has a strong commitment to our local community, supporting this work.

Employees

We encourage a high-performance culture within the workforce, at all levels, and acknowledge that employee's health and wellbeing is paramount to being able to perform at the highest level possible.

We have a wide ranging programme, that supports our employees in this goal, including an occupational health scheme, mental health awareness training for managers, which is further strengthened by a mental health champions scheme.

We strongly encourage career development, and are in the process of launching a management training programme for our employees who wish to progress to this level.

Within the bounds of commercial confidentiality, the club endeavours to keep staff at all levels informed of matters that affect the progress of the company and are of interest to them as employees. This is done with staff via regular employee question-and-answer sessions with the club's chief executive, preferably in person, but also via virtual platforms, such as Zoom and Teams – and back this up further with regular staff communications.

We also have a strong commitment to our casual matchday staff; for example we paid casual staff during the initial lockdown phase to ease their financial concerns.

Partners

The club acknowledges the ongoing support we receive from the Brighton, Hove and Sussex business community. We have a brilliant range of global, national and local partners and we remain committed to working with them to meet their needs and help achieve their business aims – while also supporting their own corporate social responsibility programmes.

We used a number of creative initiatives with the aim of helping our partners adapt, survive and thrive throughout the Covid-19 pandemic.

We have a vibrant, diverse and supportive group of businesses as part of our corporate hospitality 1901 Club and B2B Network Albion scheme.

We aim to source locally wherever possible, including supporting local food heroes and suppliers through our out of our hospitality and events menus and stadium kiosks.

The Brighton and Hove Albion Football Club Limited

Strategic report for the year ended 30 June 2021 (*continued*)

Section 172 statement (*continued*)

Sustainability and ethics

The club's Amex Stadium and training ground is BREEAM certified 'very good' and we use a green electricity provider across all sites; we fully offset our carbon emissions in relation to gas.

Our training facility which opened in 2014 has solar panels on its roof has had installed a further 144 panels on the extension roof and 218 on our new Women's and Community training facility.

We offer a subsidised and sustainable travel service to home and away supporters, which has gained plaudits from the local council and MPs.

Implemented 100% digital ticketing for home fans and first club in the PL to launch away tickets on mobile. We eliminated the use of plastic straws, stirrers, carrier bags and are exploring the removal of other single use plastics.

We send all plastic bottle tops from the stadium catering operation to Lush Cosmetics for recycling and reuse. Our cleaning operation uses smart dose concentrate systems, recyclable microfibre cloths and has switched to steam cleaning of carpets and concourse floors which has led to a reduction in the amount of chemicals used and reduced our plastic waste.

We send zero waste to landfill, with a full sorting, composting and recycling programme in place for all of our waste. Recycle wood and pallets to make furniture and other items.

Our surplus food supplies are donated to various local charities and food banks.

We have various water-saving projects, including harvesting rainwater to water our pitches at the training facility, percussion showers and taps across all venues and waterless urinals for all of our stadium concourses.

Training ground development has engendered the planting of an extra circa. 1000 trees/bushes on site as part of the landscaping programme.

Established an ethics committee whose responsibilities include modern slavery commitments and sustainability developments.

Our cleaning operation uses smart dose concentrate systems, recyclable microfibre cloths and has switched to steam cleaning of carpets and concourse floors which has led to a reduction in the amount of chemicals used and reduced our plastic waste.

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The Brighton and Hove Albion Football Club Limited

Strategic report for the year ended 30 June 2021 (continued)

Key Board Decisions

During the year, the Board made key decisions which are considered to be in the interests of the overall success of the company. These decisions have impacts on certain stakeholder groups that have, to the extent considered appropriate by the Board, been reflected in the decision making process.

- The Board made the decision, with the continued support of the principal shareholder, to continue to invest in all areas of the football business despite the Covid-19 pandemic, with the focus on remaining as competitive as possible regardless of the challenging environment. During the year the investment in new player registrations was £33m.

Principal risks

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

The ongoing pandemic is also presenting a significant risk to all football clubs across the country, as at the time of writing all fixtures are once again being played behind closed doors. There is hope in the coming months that the safe return of spectators will again begin but until this happens revenue streams will continue to be severely impacted.

Whilst the full impact of the UK exit from the European Union is unknown, there is a risk that it could result in some instability with regard to the freedom of movement of footballers and other staff. In addition to this, whilst no specific contracts or agreements have been identified that would have a material impact on the company in the short to medium-term, a disorderly Brexit could impact on the wider economy and on consumer spending, which could have a direct impact on match-day revenue and an indirect impact on future centrally negotiated media rights.

The Board are also mindful of the continually evolving situation in Ukraine. Although the impacts are as yet not fully known, it is acknowledged that there may be both direct and indirect impacts on the football club and the wider economy and will give these due consideration as they arise.

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



R F. Comer
Director

Date: 22/03/2022

The Brighton and Hove Albion Football Club Limited

Directors' report for the year ended 30 June 2021

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

Results and dividends

The loss for the year, after taxation, amounted to £49,555,000 (2020 – loss of £62,705,000).

The directors are unable to recommend the payment of a dividend (2020 - £Nil).

Directors

The directors who served during the year were:

A G Bloom (Chairman)
P J Barber (CEO)
R A Bloom
D L Chapman
R F Comer
A S Franks
P W Godfrey
D A Jones (Finance Director) (resigned 31 July 2021)
M J Perry (resigned 30 September 2020)
M L Sugarman
M J Walder
P J Mullen (appointed 1 July 2021)

Employee involvement

Within the bounds of commercial confidentiality, the club endeavours to keep staff at all levels informed of matters that affect the progress of the company and are of interest to them as employees.

Equality & Safeguarding

The club is committed to equality of opportunity for all staff and applications for employment or promotion from individuals both internally and externally are encouraged regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships. The club have successfully attained the intermediate level of the Premier League Equality Diversity and Inclusion Standard and we are now working towards the advanced level of the standard.

The club complies with all applicable employment legislation relating to working terms and conditions, and in many cases goes beyond compliance, including pay (the club is a 'Living Wage' Employer). It is our aim to provide inspirational and motivational working environments in which everybody can thrive.

The club is fully committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expect all staff and volunteers to share this commitment. We are supporters of a number of anti-discrimination campaigns including No Room For Racism, Kick It Out, Show Racism the Red Card, Rainbow Laces, Football v Homophobia, Level Playing Field and Women in Football to mention a few.

We have a strong track record for tackling discrimination at the stadium, at our matches and events, and online – with a zero tolerance policy for anyone found guilty of discriminatory behaviour.

The Brighton and Hove Albion Football Club Limited

Directors' report for the year ended 30 June 2021 (continued)

Stakeholders

The club's stakeholders are an essential part of the businesses operations and how they are engaged with is key to the club's success.

Further details of how the club enhances relationships with all stakeholders can be found in the Section 172 statement within the Strategic Report.

Matters covered in the Strategic Report

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

Streamlined Energy and Carbon Reporting (SECR)

Effective from 1 April 2019, The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 introduced the requirement for annual energy and carbon reporting. The directors have taken the exemption under section 20A(2) of SI 2008/410 Schedule 7 Part 7A not to include this disclosure on the grounds that the company is included in the group report of Brighton & Hove Albion Holdings Limited.

Post balance sheet events

Details of significant events since the balance sheet date are contained in note 26 to the financial statements.

Auditors

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

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

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



R F Comer
Director

Date: 21/03/2022

The Brighton and Hove Albion Football Club Limited

Directors' responsibilities statement for the year ended 30 June 2021

The directors are responsible for preparing the strategic report, 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 judgements 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.

The Brighton and Hove Albion Football Club Limited

Independent auditor's report

TO MEMBERS OF THE BRIGHTON AND HOVE ALBION FOOTBALL CLUB LIMITED

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 2021 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.

We have audited the financial statements of The Brighton & Hove Albion Football Club Limited ("the Company") for the year ended 30 June 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 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 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.

The Brighton and Hove Albion Football Club Limited

Independent auditor's report (continued)

Other information

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Brighton and Hove Albion Football Club Limited

Independent auditor's report (*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 and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies, UK GAAP, the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.

We determined that the principal risks were related to inappropriate journals entries, management bias in accounting estimates and revenue recognition. Our audit procedures included but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular impairments of tangible and intangible fixed assets and the timing of revenue recognition;
- Identifying and testing journal entries, in particular material manual journals posted throughout the year and at year end for potential fraud;
- Testing a sample of revenue transactions to signed contracts and other third party documentation to ensure they are recorded in the correct period;
- Discussion held with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of board meetings from throughout the year; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Brighton and Hove Albion Football Club Limited

Independent auditor's report (*continued*)

Use of our report

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.

DocuSigned by:
Ian Clayden
E25A0E124BD44AA...

Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 21 March 2022

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

The Brighton and Hove Albion Football Club Limited

Statement of comprehensive income for the year ended 30 June 2021

		2021		2020	
	Note	Operations excluding player trading £'000	Player trading £'000	Total £'000	Total £'000
Turnover	3	139,731	-	139,731	123,291
Cost of sales		(1,004)	-	(1,004)	-
Operating expenses		(138,606)	(55,750)	(194,356)	(182,111)
Profit/(loss) on player trading		-	6,592	6,592	(599)
Other operating income	4	2,513	-	2,513	
Operating loss before interest and taxation	5	2,634	(49,158)	(46,524)	(59,419)
Interest receivable and similar income	9	5	-	5	15
Interest payable and similar charges	10	(1,508)	(1,528)	(3,036)	(3,301)
Loss before taxation		1,131	(50,686)	(49,555)	(62,705)
Tax on loss	11	-	-	-	-
Loss after taxation		1,131	(50,686)	(49,555)	(62,705)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,131	(50,686)	(49,555)	(62,705)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.


The notes on pages 19 to 35 form part of these financial statements.

The Brighton and Hove Albion Football Club Limited

Statement of financial position at 30 June 2021

Company number 00081077	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Intangible assets	12		73,597		108,819
Tangible assets	13		4,234		4,852
			<hr/>		<hr/>
			77,831		113,671
Current assets					
Stocks	14	449		343	
Debtors: amounts falling due within one year	15	58,172		54,354	
Cash at bank and in hand	16	6,746		454	
		<hr/>		<hr/>	
		65,367		55,151	
Creditors: amounts falling due within one year	17	(370,296)		(344,569)	
		<hr/>		<hr/>	
Net current liabilities			(304,929)		(289,418)
			<hr/>		<hr/>
Total assets less current liabilities			(227,098)		(175,747)
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	18		(11,560)		(13,356)
			<hr/>		<hr/>
Net liabilities			(238,658)		(189,103)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	19		105		105
Capital redemption reserve	20		8		8
Profit and loss account	20		(238,771)		(189,216)
			<hr/>		<hr/>
			(238,658)		(189,103)
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 21/03/2022



R F Comer
Director

The notes on pages 19 to 35 form part of these financial statements.

The Brighton and Hove Albion Football Club Limited

Statement of changes in equity for the year ended 30 June 2021

	Called up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2019	105	8	(126,511)	(126,398)
Comprehensive loss for the year				
Loss for the year	-	-	(62,705)	(62,705)
Total comprehensive loss for the year	-	-	(62,705)	(62,705)
At 30 June 2020	105	8	(189,216)	(189,103)
Comprehensive loss for the year				
Loss for the year	-	-	(49,555)	(49,555)
Total comprehensive loss for the year	-	-	(49,555)	(49,555)
At 30 June 2021	105	8	(238,771)	(238,658)

The notes on pages 19 to 35 form part of these financial statements.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021

1 Accounting policies

The Brighton and Hove Albion Football Club Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. 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.

These financial statements are presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Brighton and Hove Albion Holdings Limited as at 30 June 2021 and these financial statements may be obtained from Companies House.

Going concern

For the year ended 30 June 2021 the company made a loss after tax of £49,555,000 and has net current liabilities of £304,929,000 and net liabilities of £238,658,000, including £266,222,000 owing to the parent undertaking.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts which extend to no less than June 2023. It is acknowledged that in many respects the global and UK outbreak of Covid-19 has had a profound impact on the 2019/20 football season and the 2020/21 season. Whilst the 2021/22 season is currently unaffected by Covid-19 and has enjoyed a return to full capacity stadiums, the board remain mindful of the economics of operating a stadium with reduced capacity as well as the potential for further setbacks.

Premier League central distribution rebates for the 2019/20 and 2020/21 season have been finalised and will be payable out of future distributions. Central distributions for the 2021/22 season have been unaffected, although at this stage, any further impact of Covid-19 on current or future central distributions cannot be determined with certainty, though with football resumed and expected to continue, the Board do not expect these to be materially impacted at this stage.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021

1 Accounting policies (continued)

Going concern (continued)

The Club has made significant player disposals in the 2021/22 season and whilst net operating cash outflows are anticipated for the 2021/22 season, the club is anticipating a positive cash flow for the 2022/23 season. The club continues to model scenarios in which it invests in order to remain competitive in the English Premier League.

The Club benefits from the support of the principal shareholder of its parent undertaking and the Board have received a binding letter of support from Mr Bloom expressing his intention to continue to provide such support, in the form of non-recall of existing loans and further funding as forecast to be required over the going concern period being considered. In light of this financial support, and the boards own considerations with regard to the availability of such support, the directors have not identified a material uncertainty that may cast significant doubt over the Club's ability to continue as a going concern for the foreseeable future.

With Premier League activities ongoing, the Club's ability to safely allow access to fans, the Directors remain confident that the club continues to be operated within the financial means and intentions of its owner. As such, the Directors have concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

The financial statements do not include the adjustments that would result if the Club were unable to continue as a going concern.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

Sponsorship and similar commercial income is recognised over the duration of the respective contracts in line with goods and services provided.

Retail revenue and catering income is recognised at the point goods and services are delivered to the customer.

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

Premier League and central distribution revenue is recognised on an accruals basis in line with games played.

Revenue generated from players on loan to other clubs is included in other income.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

1 Accounting policies (*continued*)

Intangible assets

Player registrations

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets, with cost discounted to present value at an appropriate market rate for leveraged player receivables, where payments are deferred beyond 12 months of the acquisition date.

Costs of players' registrations comprise transfer fees and solidarity payments. Payments of transfer fees based on future performance criteria are recognised when the criteria are assessed as being probable that they will be met. In most cases this is when the condition has been met. Player registration costs are fully amortised in equal instalments over the period of the players' individual contracts. Where a player's contract is extended beyond its initial period, amortisation is calculated over the period of the extended contract from the date on which it is signed. All amortisation is recognised within operating expenses on the statement of comprehensive income. Players' registrations are written down for impairment in certain circumstances when the carrying amount is assessed as exceeding the amount recoverable through use or sale. See below for accounting policy relating to impairment.

The profit or loss on disposal of a player's registration is calculated as the difference between the present value of the transfer fee received less the net book value at the date of sale and less any direct costs of the transfer. Receipts of transfer fees based on the future performance of the transferred player or the buying club are recognised when the future criteria are met or are virtually certain to be met.

Impairment of player registrations

The carrying amounts of player registration costs are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The directors do not consider it possible to determine the value in use of an individual player in isolation, as individual players cannot generate cash flows independently. However, in circumstances where it is apparent that, as at the period end date, the player would not be available for selection to play for the Club, such as permanent injury or a firm intention to sell or loan the player (without further selection), the player is taken outside of the wider football club cash generating-unit ("CGU") and valued on a recoverable amount basis, being the directors' best estimate of the player's fair value less cost to sell. In the case of a permanent injury the recoverable amount is assessed with reference to insurance values. Any resulting impairment charge is made in operating expenses. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Where there is an impairment of a particular player's registration costs consideration is given to whether there is simultaneously an onerous contract arising. Where onerous contracts exist, a provision is recognised equal to the net cost of exiting from the contract.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	20-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Debtors

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

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

1 Accounting policies (*continued*)

Cash and cash equivalents

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

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

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

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (continued)

1 Accounting policies (continued)

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Interest income

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

Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

1 Accounting policies (*continued*)

Player remuneration

Signing on fees in respect of players contracts are expensed to the Statement of Comprehensive Income over the term of their contract. Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements. Bonuses and other short term benefits are recognised when services are rendered and there is a constructive or legal obligation to pay them.

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

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

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

Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit. Considerations relevant to the impairment of player registrations are described in note 1.

3 Turnover

All turnover arose withing the United Kingdom.

	2021 £'000	2020 £'000
An analysis of turnover by class of business is as follows:		
Matchday	480	13,513
Broadcasting	122,991	89,920
Commercial	8,320	9,481
Other	7,940	10,377
	<hr/>	<hr/>
	139,731	123,291
	<hr/>	<hr/>

4 Other operating income

	2021 £'000	2020 £'000
Proceeds from business interruption insurance claim	2,513	-
	<hr/>	<hr/>

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (continued)

5 Operating loss

	2021 £'000	2020 £'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	1,886	1,684
Amortisation of intangible assets	46,380	45,616
Impairment of intangible assets	9,370	-
Defined contribution pension cost	434	474
Operating lease payments	1,549	246
	<hr/>	<hr/>

6 Auditor's remuneration

	2021 £'000	2020 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	37	30
	<hr/>	<hr/>
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	12	74
All other services	6	-
	<hr/>	<hr/>
	18	74
	<hr/>	<hr/>

7 Employees

	2021 £'000	2020 £'000
Staff costs including directors' remuneration, were as follows:		
Wages and salaries	93,983	89,314
Social security costs	12,987	12,082
Pension costs	434	474
	<hr/>	<hr/>
	107,404	101,870
	<hr/>	<hr/>
The average monthly number of employees, including directors, during the year was as follows:	Number	Number
Player staff	89	88
Non-playing staff	732	891
	<hr/>	<hr/>
	821	979
	<hr/>	<hr/>

Included in non-playing staff are 90 (2020: 536) staff who are employed on a part-time basis.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (continued)

8 Directors' remuneration

	2021 £'000	2020 £'000
Directors' emoluments	2,407	2,412
Company contributions to defined contribution pension schemes	64	37
	<u>2,471</u>	<u>2,449</u>

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,037,000 (2020 - £2,022,000). This remuneration included benefits related to retention and personal performance.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2020 - £2,000).

9 Interest receivable and similar income

	2021 £'000	2020 £'000
Bank interest receivable	5	15

10 Interest payable and similar charges

	2021 £'000	2020 £'000
Unwinding of discount on transfer fees payable	1,528	2,436
Bank and credit card charges	1,508	865
	<u>3,036</u>	<u>3,301</u>

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

11 Taxation

	2021 £'000	2020 £'000
Taxation on profit on ordinary activities	-	-
Factors affecting tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:		
	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(49,555)	(62,705)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(9,415)	(11,914)
Effects of:		
Expenses not deductible for tax purposes	70	52
Deferred tax not recognised	(2,582)	(2,868)
Movement on unutilised tax losses	11,927	14,730
Total tax charge for the year	-	-

Factors that may affect future tax charges

At 30 June 2021, the company had approximately £244.8m (2020 - £199.3m) of trading losses to carry forward.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

12 Intangible assets

	Player registration £'000
<i>Cost</i>	
At 1 July 2020	201,674
Additions	31,258
Disposals	(48,850)
	<hr/>
At 30 June 2021	184,082
	<hr/>
<i>Amortisation</i>	
At 1 July 2020	92,855
Charge for the year	46,380
Impairment of player registrations	9,370
On disposals	(38,120)
	<hr/>
At 30 June 2021	110,485
	<hr/>
<i>Net book value</i>	
At 30 June 2021	73,597
	<hr/>
At 30 June 2020	108,819
	<hr/>

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

13 Tangible fixed assets

	Fixtures and fittings £'000
<i>Cost</i>	
At 1 July 2020	10,711
Additions	1,287
Disposals	(22)
	<hr/>
At 30 June 2021	11,976
	<hr/>
<i>Depreciation</i>	
At 1 July 2020	5,859
Charge for the year	1,886
Disposals	(3)
	<hr/>
At 30 June 2021	7,742
	<hr/>
<i>Net book value</i>	
At 30 June 2021	4,234
	<hr/>
At 30 June 2020	4,852
	<hr/>

14 Stocks

	2021 £'000	2020 £'000
Goods for resale	449	343
	<hr/>	<hr/>

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (continued)

15 Debtors

	2021 £'000	2020 £'000
Trade debtors	5,646	5,069
Transfers receivable within one year	2,735	2,938
Amounts owed by group undertakings	47,640	40,013
Other debtors	237	476
Prepayments and accrued income	1,414	5,358
Corporation tax recoverable	500	500
	<u>58,172</u>	<u>54,354</u>

Amounts owed by group undertakings are interest free and repayable on demand.

16 Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	<u>6,746</u>	<u>454</u>

17 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans and overdrafts	34,508	1,865
Trade creditors	2,087	2,108
Transfer payables	21,740	23,534
Amounts owed to group undertakings	266,222	243,676
Other taxation and social security	8,804	24,896
Other creditors	4,238	3,451
Accruals and deferred income	32,697	45,039
	<u>370,296</u>	<u>344,569</u>

Amounts owed to group undertakings are interest free and repayable on demand.

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

Current and non-current other creditors include Premier League rebates of £3,899,000 and £3,851,000 respectively that will be deducted from future distributions.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

18 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Bank loans and overdrafts	2,826	-
Other creditors	3,851	-
Transfers payables	4,883	13,356
	<u>11,560</u>	<u>13,356</u>

Maturity of bank loans and overdrafts

The maturity of sources of debt finance are as follows:

	Bank loans 2021 £'000	Bank overdrafts 2021 £'000	Total 2021 £'000
In one year or less, or on demand	34,508	-	-
In more than one year but not more than two years	2,826	-	-
	<u>37,334</u>	<u>-</u>	<u>-</u>
	Bank loans 2020 £'000	Bank overdrafts 2020 £'000	Total 2020 £'000
In one year or less, or on demand	-	1,865	-
In more than one year but not more than two years	-	-	-
	<u>-</u>	<u>1,865</u>	<u>-</u>

19 Share capital

	2021 £'000	2020 £'000
Shares classified as equity		
<i>Allotted, called up and fully paid</i>		
320,932 ordinary shares of £0.25 each	80	80
25,000 ordinary A shares of £1 each	25	25
	<u>105</u>	<u>105</u>

The rights attached to each class of share are the same.

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

20 Reserves

Capital redemption reserve

The reserve represents the equity instruments of issued and subsequently reacquired treasury shares.

Profit and loss account

The reserve represents the cumulative losses of the company.

21 Contingencies

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 £10,431,000 (2020 - £11,107,000) and the maximum that could become payable is £14,950,000 (2020 - £24,471,000).

Additionally, no provision is included in the accounts for signing on fees, as at 30 June 2021, of £4,751,000 (2020: £6,291,000) which would become due to certain players if certain conditions are met.

22 Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £434,000 (2020 - £474,000). Contributions totaling £Nil (2020 - £Nil) were payable to the fund at the balance sheet date.

23 Commitments under operating leases

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

	2021 £'000	2020 £'000
Not later than 1 year	1,398	1,404
Later than 1 year and not later than 5 years	5,453	5,429
Later than 5 years	148,175	149,509
	<hr/>	<hr/>
	155,026	156,342
	<hr/>	<hr/>

The Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

24 Related party transactions

Brighton & Hove Albion Holdings Limited

At the year end, the company owed £266,222,000 (2020 - £233,227,000) to the parent company, Brighton & Hove Albion Holdings Limited.

The Community Stadium Limited

The company rents the American Express Community Stadium and the American Express Elite Football Performance Centre for a rent of £1,333,000 (2020 - £1,333,000) per annum from a fellow subsidiary, The Community Stadium Limited. At the year end, the company owed The Community Stadium Limited £Nil (2020 - £10,449,000), and The Community Stadium Limited owed the company £40,648,000 (2020 - £35,178,000).

New Monks Farm Development Limited

During the year there were no transactions with fellow subsidiary, New Monks Farm Development Limited. At the year end, New Monks Farm Development Limited owed the company £Nil (2020 - £68,000).

Brighton & Hove Albion Women's Football Club Limited

The company pays costs on behalf of a fellow subsidiary, Brighton & Hove Albion Women's Football Club Limited. At the year end, Brighton & Hove Albion Women's Football Club Limited owed the company £6,924,000 (2020 - £4,774,000).

Albion in the Community

The company has a charitable arm, Albion in the Community. At the year end, the charity owed the company £27,000 (2020 - £13,000), and the company owed the charity £6,000 (2020 - £3,000).

CCI Accountants

The company uses CCI Accountants, a firm in which RF Comer (director) is a partner, for advisory services relating to capital projects. During the year, the company paid CCI Accountants £Nil (2020 - £16,600) for these services. At the year-end no amounts were payable (2020 - £Nil).

Dr E Perry

The company uses Dr E Perry, the wife of M Perry (director) to provide counselling services for employees. During the year, the company paid Dr Perry £2,000 (2020 - £4,000) for these services. At the year-end, £1,000 (2020 - £Nil) was payable to Dr Perry.

25 Controlling party

The immediate and ultimate parent company is Brighton & Hove Albion Holdings Limited, a company incorporated in England and Wales, by virtue of its 99.98% holding of the Company's issued share capital. As at 30 June 2021, the ultimate controlling party was A Bloom by virtue of his 93.74% shareholding in the parent company.

The financial statements of the group that include the results of the company may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Brighton and Hove Albion Football Club Limited

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

26 Post balance sheet events

Since the year end, the company has entered into transfer agreements for confirmed contracted net transfer fees receivable of £15,801,000.