MILLWALL

MILLWALL HOLDINGS PLC

Registered Number: 2355508

Report and Accounts
for the year ended
30 June 2013

Contents

Directors and Advisers

DIRECTORS
John G Berylson (Non-Executive Chairman)
James T Berylson (Non-Executive)
Constantine Gonticas (Non-Executive)
Trevor Keyse (Non-Executive)
Demos Kouvaris (Non-Executive)
Richard S Press (Non-Executive)
Andrew J Ambler ACMA (Chief Executive and Finance Director)

SECRETARY
Thomas Bernard Simmons

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The directors present their report on the affairs of the Group, together with the accounts and independent auditor's report for the year ended 30 June 2013.

Principal activities
The Company is the holding company of a group engaged primarily in the operation of a professional football club, through its subsidiary, The Millwall Football and Athletic Company (1985) PLC.

Business Review
The year under review reflects the performance of the 2012/13 season with the Club competing in the Football League Championship, the second tier of English football below the FA Premier League. This was the third season for the Club in the Championship since promotion in 2010. After a promising first half of the season, the final league position was a disapointment with the Club finishing in 20th position (2012: 16th) However, the Club achieved success in the FA Cup, reaching the Semi Final which gave supporters the opportunity to watch the team play at Wembley Stadium for the 3rd time in 5 years, a major achievement for a Club outside of the Premier League.

The team was inconsistent in its performances in the early part of the season, but after an unbeaten run of 13 games the team earned 37 points over the first half of the season (2012: 26) putting them in 6th position (2012: 20th) However, in the second part of the season the team added only a further 19 points (2012: 31) and avoided relegation by just 2 points.

The latter part of the season was compensated by the successful run in the FA Cup. A home 2-1 victory over Premier League club Aston Villa, followed later by a replay win at Blackburn Rovers in the quarter final, pathed the way for the latest appearance at Wembley, where the team lost 0-2 to the then Premier League club, and eventual FA Cup winners, Wigan Athletic.

There were fewer player transactions during the 2012/13 season as a total of 33 players were used during the season (2012: 36).

The average home league attendance was 10,559 (2012: 11,484) a decrease of 8.1% over the previous year. However, the Club benefitted from the 3 home FA Cup fixtures which attracted an average attendance of 11,773 compared with 3 games and an average gate of 7,721 the previous season.

On youth development, the Club applied for a Category 2 status in the new Elite Player Performance Plan scheme and was successful after audit of achieving that level of Youth Academy. This has resulted in a significant increase in investement on youth development with the long term strategy of producing first team players from the local area.

At the end of the football season Kenny Jackett, who had been in place as Team Manager since November 2007, tendered his resignation from the Club. During his tenure the Club gained promotion to the Championship as well as reaching the FA Cup Semi Final this year. In July, Steve Lomas, formerly manager of St. Johnstone of the Scottish Premiership League, was appointed as the new manager.

A review of the Group's financing, property development and regeneration activities is provided later in this report.

Results
The consolidated statement of comprehensive income is set out on page 8.

The result for the year shows an increase in the level of losses incurred, with the loss from operations amounting to £4.4m (2012: £4.0m). Although overall turnover has increased, due mainly to the FA Cup run referred to above, player salary costs have once again increased to more than offset the additional income generated.

Revenue for the year at £12.8m (2012: £11.5m) is the highest ever achieved by the Group. It represents an increase of 11.7% compared to the small reduction experienced in the previous year of 2.9% and reflects the benefit of prize money earned for reaching the FA Cup Semi Final. Whilst revenue from the normal Central League awards decreased, this prize money increased revenues from these sources to £5.7m compared with £4.8m last year. Match Day income showed an increase, up 16.2%, compared with the reduction of 4.9% experienced last year. There was also a small 4.9% increase in retail sales.

This year saw a continuation of the marketing strategy of maintaining contact with existing and past supporters, as well as attracting new potential supporters, in order not only to achieve higher attendances but also to increase the income from executive boxes and match day catering. Most of these income sources showed similar income to the previous year apart from advertising and club sponsorship income which fell once again, this year by 21.8%. This source of income, together with income from non-matchday conferencing and events, which itself showed a small reduction of 4.9%, was affected by current economic conditions nationally and local market sensitivities.

Profit from player sales this year rose to £0.4m, compared with £0.2m in 2012. This reflects a trend towards lower transfer fees outside of the Premier League. The amortisation of player registration costs was steady at £0.7m.

Total staff costs rose to £12.1m (2012: £10.3m), an increase of 17.6% (2012: 22.7%). The salary costs of newly recruited players reflected Championship levels of pay and this also applied to renewal of contracts of existing players. Once again there was a high cost of loan players recruited to cover injuries. The players also earned significant match bonuses for reaching the FA Cup Semi Final.

In the 3 years since the Club achieved promotion to the Championship at the end of the 2009/10 season, the overall salary costs have increased by 89.6%, compared to an increase in income of 71.9%. The ratio of staff costs to revenue stood this year at 94.1% (2012: 89.4%).

Other expenses (excluding depreciation and amortisation) were slightly up this year at £4.5m, now representing 35% of revenue (2012: 39%). The principal adverse variation related to scouting costs where more investment has been made, offset by a saving in ground maintainance costs since there was reduced spending on pitch improvement which had been completely relaid last year.

Finance costs are now increasing annually as the level of borrowing by the Company increases. The cost has increased by £0.7m to a total this year of £1.9m.

The directors do not recommend payment of a dividend.

Directors' Report

Prospects

Football

From this season all clubs participating in the Championship are subject to the Financial Fair Play regulations introduced by the Football League. The basic aim of these rules is to encourage clubs to show financial discipline by attempting to at least breakeven each season. During transitional seasons clubs are permitted a variation up to preset levels of losses with a condition that losses in excess of this preset level, up to a maximum overall limit, must be matched by equity investment. If a club incurs a loss in excess of this upper limit it will be subject to player registration restrictions for a year whilst it participates in the Championship. Under current rules for the 2013/14 season the permitted variation is a loss up to £3m, whilst further losses of £5m up to the maximum variation of £8m has to be covered by equity injection. It is intended that the rules will prevent clubs having an unrealistically excessive size and cost of playing squads in relation to their income.

With these rules in mind the directors have set budgets for all areas of income and costs with plans in place to monitor financial and team performance and to take such steps that are needed to achieve the best outcome for the year.

The opportunities to increase revenue streams are very dependant upon the success of the team. Attendances and match day income will be affected by the team's performance and the Club's position in the league. More generally, the continuing national economic difficulties have an adverse impact upon add-on sales to supporters. In May 2013 the Club appointed Alan Williams as Commercial Director. His remit includes improving the match day experience of supporters, particularly younger fans, with the long term objective of increasing attendances and spend.

8 of the 24 clubs in the Championship have spent time playing in the Premier League in the past 4 seasons which, in most cases, provides them, even with the Financial Fair Play regulations in force, with substantially more spending power than the Club due to "parachute payments", thus creating stiffer competition within the league.

Performances at the start of the 2013/14 season have been mixed with the team having achieved 13 points in the first 13 games up to 26th October, placing the team in 17th position (2012: 15th with 16 points after 13 games). The ambition continues to be to establish the Club as one of the top 30 clubs in the country. The squad has been strengthened this season by recruiting players with experience of playing in the Championship to consolidate the Club's status in this league. This is part of the strategy to build a squad that can aim for promotion to the Premier League in the longer term.

So far this season, the average attendance for the first six home league games has been 11,105 (2012: 10,241 for first six home league games), with corporate match day and retail sales similar to last year. This season has seen one home London derby match so far against Queen Park Rangers which has boosted attendance against last year.

Despite the investment in experienced players leading to an increased budget for player costs over last year the Club still has one of the lowest player wage costs in the league. There will be continued pressure to increase further the budget if needed to remain competitive. There is a core squad of 25 players, of which currently 2 are loaned to other clubs, augmented by 2 players loaned from other clubs. The player contracts have expiry dates that are well spread over the end of the next 3 seasons. As ever the directors and the manager constantly review future player needs bearing in mind the continuing requirement to balance between protecting player asset values and offering extended player contracts.

The Youth Academy Under 21 team , under the guidance of youth coach, former player Neil Harris, takes part in the Under 21 Professional Development League 2. So far this season, 4 youth players have been asked to join international squads to represent their country, indicating a measure of success for the Academy.

Other football related income

The Club anticipates a continuation of the range of services offered by the Club to sponsors and other business partnerships from catering to on-line sales and marketing. The on-line ticket sales system and communication with supporters continous to develop in order to facilitate and ease the purchase of tickets. Imaginative ticket offers are being made available to help increase attendances. The retail operation is expected to show some growth. It is now also possible to purchase merchandise online which is proving to be popular.

For the current season the Club is supporting Prostate Cancer UK, the male cancer charity, by displaying its name on the front of the team shirt. This is a first for the Club in offering a national charity the main shirt sponsorship and has been very well received nationally. However, this step will result in reduced sponsorship revenue during the current year.

The Den

Revenues from the utilisation of the stadium on non-match days are expected to continue at a similar level to last year.

The Community

The Club continues to recognise the importance of the relationship with the broader community of South London and a key way of strengthening that link is the close co-operation with the work that is undertaken with the Millwall Community Trust, reflected by our Chief Executive, Andy Ambler, acting as a Trustee. Together the Club and the Community Trust work to help promote community sports education and charitable activities to benefit the local area of South East London. The Junior Lions Community Day, has become a very successful annual event each Autumn at the Den, with up to 1,200 young people attending and meeting the players' squad. This is jointly promoted by the Club, its Junior Lions Committee and the Millwall Community Trust, giving a practical example of the Club working together with others to benefit the Millwall Community and to meet the shared common objectives held by each.

Throughout the year members of the players' squad attend many local youth and charity events organised by the Club and by the Millwall Community Trust to make their own contribution to the local community. The Club also works with another charity, Millwall For All, which operates in the local community with the aim to promote inclusion and diversity.

Communication

Communication lies at the heart of the activities, with the Fan on the Board providing a crucial link between Board and supporters. Regular meetings and forums take place with all levels of the Club's supporters and partners.

Finance
In November 2012 a new facility of £20m was put in place between the Company and its principal shareholder, Chestnut Hill Ventures LLP. The amount drawn down under this facility incurs interest at 12% p.a. and is repayable on 1 July 2015. Together with the further arrangements referred to in note 1 to the financial statements the facility provides the Company with sufficient working capital to fund the operations of the Company and the costs that likely to be incurred on the regeneration over the next few years.

The directors are mindful of the requirements of the Financial Fair Play Regulations which, under current rules, provide that should a club incur a loss in its present accounting period it will, if the loss as defined is in excess of £3m, be required to have capital invested into that club of an amount equal to that excess by way of equity of up to £5m. Such equity investment must be made before December 2014. The directors are concerned, should such a contingency occur, that the restrictions placed upon the Company, as presently constituted by its Articles of Association and Company Law, will in practise prevent the Company being able to raise any equity that may be needed. This is due to the requirement to issue Ordinary Shares of £10 each at a minimum price of £10 per share, whereas the current indicative dealing price is reported as £1.75 per share. Further, any issue of Ordinary Shares raising over £2m would have to be offered to all shareholders by means of an Open Offer at a huge cost to the Company; the last Open Offer in 2010 cost in the region of £500,000.

To overcome these practical difficulties the directors propose that a new class of shares be created. The proposed B Shares of £1 each will be non-voting, redeemable only at the option of the Company and entitled to distributions in preference to existing Ordinary Shares in the event ot the liquidation of the Company. Upon redemption or liquidation the holders of B shares are entitled to a premium of 20p per share. A resolution will be put to shareholders at the forthcoming Annual General Meeting to create 25m B shares of £1 each and to give the directors authority to issue up to 20m such shares, at their discretion, for a period of 5 years from the passing of the resolution.

The balance sheet of the Company as at 30 June 2013 discloses that the Company has net liabilities and in accordance with Section 656 of the Companies Act 2006, the directors are convening a General Meeting immediately following the forthcoming Annual General Meeting to consider what, if any, steps should be taken to deal with the situation in addition to the proposals referred to above.

Regeneration
Your directors are fully and enthusiastically committed to the proposals for the regeneration of what is known as the Surrey Canal Triangle. The directors' believe that the football club should be the heart of the thriving and brighter community that will emerge and intends to ensure that the Company plays its part in making this happen. The scheme provides an opportunity to bring more financial stability to the Club by generating non-football revenues, an area which is vital to the long term future of the Club.

The Company has commissioned ambitious plans for 3 zones immediately adjoining the Den stadium. These plans, which are fully in keeping with the overall scheme for the Surrey Canal Triangle, have been presented to Lewisham Council.

As the Club celebrates 20 years at the Den these proposals provide a facelift for the entire area of car parks, Community Centre and the stadium itself. Plans include affordable housing, student accommodation, retail and office space on the existing Lions Centre area; a hotel and conference centre based on existing car park areas; and a new site for the Millwall Community Trust, which the Club established 28 years ago, with better facilities and more space than at present.

These proposals have currently been presented to Lewisham Council and discussions continue to take place.

Principal risks and uncertainties
In common with many football clubs outside the FA Premier League the main business risk is the maintenance of a positive cash flow, bearing in mind the uncertainty of turnover and the high cost of maintaining a playing squad on which the success of the Group's business is largely dependent. In order to achieve a positive cash flow there is the constant requirement to raise new finance and refinance existing facilities which, in turn, requires the continuing support of existing providers of those facilities.

A significant amount of the Club's revenue derives from ticket sales. Income generated from gate receipts is highly dependent on the level of attendance at matches. Weak economic conditions in the United Kingdom may have a negative impact on match attendance and gate receipts as supporters may have less disposable income.

Some income streams of the Club (such as television rights and related income) are dependent on third party contracts and arrangements to which the Club is not a party and over which the Club can exercise no or little influence.

As part of its normal activities, the Club deals in the trading of player registrations and there is always a risk of significant and lasting injuries to players that may impair player values. Players aged 24 years or older are free to move between clubs once their contract has come to an end and the Board monitors expiry dates carefully with a view to renewing contracts or realising value.

Relevant business risks are discussed during Board meetings so that, where a material exposure is identified, mitigating action can be taken.

Details of the Group's exposure to financial risks and the management procedures in place to mitigate these are set out in note 16 to these financial statements.

Going concern
The Board has considered the adoption of the going concern basis and the facilities currently available to the Group, as mentioned in note 1, and has concluded that the basis has been appropriately adopted in the accounts.

There is in place a £20m facility from CHV, which does not fall due for repayment until 1 July 2015. Your directors believe this provides sufficient working capital for the current needs of the Company over the next 12 months and beyond.

Financial instruments
Details of the use of financial instruments by the Company and its subsidiary undertakings are contained in note 16 of the financial statements.

Political and charitable donations
During the year, the Group made a contribution to a charity of £45,000 (2012: £37,000). The Group made no political donations.

Market value of land and buildings
Given the specialised nature of the Group's property interests, the directors do not consider that there is a readily ascertainable market value for the Group's properties, which are carried in the accounts at cost less depreciation.

Directors' Report

Payment of creditors
The Group's and Company's policy is to settle agreed amounts outstanding to creditors within sixty days. This policy is made known to staff who handle payments to suppliers and is made known to suppliers on request. The Company had no trade creditors at 30 June 2013 (2012: £nil). Trade creditors of the Group at the period end represented 58 days purchase (2012: 56 days).

Employee involvement
The Group operates employment policies, which place emphasis upon employee involvement where possible. The Group practices equality of employment opportunity irrespective of sex, race, colour, marital status or ethnic or national origins. It is the Group's policy to offer equal opportunity to disabled persons wherever appropriate, having regard to their aptitudes and abilities.

Directors
The directors, who served during the year, are as follows:
John G Berylson *(Non-Executive Chairman)*
James T Berylson *(Non-Executive)*
Constantine Gonticas *(Non-Executive)*
Trevor Keyse *(Non-Executive)*
Demos Kouvaris *(Non-Executive)*
Richard S Press *(Non-Executive)*
Andrew J Ambler *(Executive)*

In accordance with the Articles of Association, Mr J T Berylson and Mr R S Press retire by rotation and, being eligible, each offers himself for re-election at the Annual General Meeting.

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

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

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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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 requirements of 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.

Website publication
The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors
All 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.

The Board would like to thank players, management and staff for their hard work throughout last season. The support of shareholders, fans and everyone connected with the Club has, as ever, been tremendous and to all of them, the Board extends its thanks.

On behalf of the Board

A Ambler
Director
7 November 2013

Independent Auditor's Report

To the members of Millwall Holdings PLC

We have audited the financial statements of Millwall Holdings PLC for the year ended 30 June 2013 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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.

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 financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2013 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mr James Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

7 November 2013

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

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	*Year ended 30 June 2013 £000*	*Year ended 30 June 2012 £000*
Revenue	1,2	**12,809**	11,464
Other income – profit on disposal of player's registrations		**381**	205
Staff costs	5	**(12,053)**	(10,250)
Amortisation of players' registrations	8	**(733)**	(690)
Depreciation of property, plant and equipment	9	**(245)**	(245)
Total depreciation and amortisation expense		**(978)**	(935)
Other expenses		**(4,532)**	(4,438)
Loss from operations	4	**(4,373)**	(3,954)
Finance expense	3	**(1,862)**	(1,164)
Loss before taxation		**(6,235)**	(5,118)
Tax expense	7	**-**	-
Loss after tax for the financial year and total comprehensive loss		**(6,235)**	(5,118)

The accompanying notes form an integral part of this Consolidated Statement of Comprehensive Income.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2013

	Ordinary shares of £10 each £000	*Deferred shares of 0.09p each £000*	*Share premium account £000*	*Equity component of convertible loan notes £000*	*Capital reserve £000*	*Retained deficit £000*	*Total equity £000*
1 July 2011	13,905	2,333	15,152	81	21,474	(50,301)	2,644
Loss for the year	–	–	–	–	–	(5,118)	(5,118)
30 June 2012	**13,905**	**2,333**	**15,152**	**81**	**21,474**	**(55,419)**	**(2,474)**
1 July 2012	13,905	2,333	15,152	81	21,474	(55,419)	(2,474)
Loss for the year	–	–	–	–	–	(6,235)	(6,235)
Convertible loan notes refinanced	–	–	–	(81)	–	–	(81)
30 June 2013	**13,905**	**2,333**	**15,152**	**–**	**21,474**	**(61,654)**	**(8,790)**

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

Consolidated Statement of Financial Position

at 30 June 2013

Company number: 2355508

	Notes	*30 June 2013 £000*	*30 June 2012 £000*
Non-current assets			
Intangible assets	8	1,149	971
Property, plant and equipment	9	14,343	14,526
		15,492	15,497
Current assets			
Inventories	10	186	137
Trade and other receivables	11	1,577	2,209
Cash and cash equivalents		206	460
		1,969	2,806
Total assets		17,461	18,303
Non-current liabilities			
Trade and other payables	12	(753)	(725)
Financial liabilities	13	(18,805)	(12,640)
Deferred income	12	(3,056)	(3,200)
		(22,614)	(16,565)
Current liabilities			
Trade and other payables	12	(2,114)	(2,528)
Deferred income	12	(1,523)	(1,684)
		(3,637)	(4,212)
Total liabilities		(26,251)	(20,777)
Net liabilities		(8,790)	(2,474)
Equity			
Called up share capital	14,19	16,238	16,238
Share premium	19	15,152	15,152
Equity proportion of convertible loan notes	19	-	81
Capital reserve	19	21,474	21,474
Retained deficit	19	(61,654)	(55,419)
Total equity attributable to the shareholders of the parent (in deficit)		(8,790)	(2,474)

The accounts on pages 8 to 30 were approved by the Board of Directors and authorised for issue on 7 November 2013.

A Ambler
Director

The accompanying notes form an integral part of this Consolidated Statement of Financial Position.

Consolidated Statement of Cash Flows

for the year ended 30 June 2013

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Cash flows from operating activities		
Loss before taxation	(6,235)	(5,118)
Depreciation on property, plant and equipment	245	245
Amortisation of intangible assets	733	690
Amortisation of grants	(82)	(82)
Profit on disposal of players' registrations	(381)	(205)
Finance expense	1,862	1,164
Cash flows from operating activities before changes in working capital	(3,858)	(3,306)
Increase in inventory	(49)	(22)
Increase in trade and other receivables	(96)	(238)
Decrease in trade and other payables and deferred income	(445)	(225)
Net cash flow from operations	(4,448)	(3,791)
Investing activities		
Purchase of property, plant and equipment	(62)	(61)
Proceeds on disposal of players' registrations	938	1,199
Purchase of players' registrations	(904)	(1,021)
Net cash flow from investing activities	(28)	117
Financing activities		
Net drawdown under loan note facilities	4,222	3,896
Net cash flow from financing activities	4,222	3,896
Net movement in cash and cash equivalents	(254)	222
Cash and cash equivalents at start of year	460	238
Cash and cash equivalents at end of year	206	460

The accompanying notes form an integral part of this Consolidated Statement of Cash Flows.

Notes to the Accounts

for the year ended 30 June 2013

1 **Accounting policies**

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and in accordance with those parts of the Companies Act 2006 that remain applicable to groups reporting under IFRS.

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared under the historical cost basis.

Going concern

At 30 June 2013, the Group had net liabilities of £8.8 million and net current liabilities of £1.7 million.

The directors continually monitor the financial position of the Group and have prepared the financial statements on a going concern basis, having had regard to:

- cash flow projections, including the effect of player trading; and
- the continuing provision of facilities to the Group from Chestnut Hill Ventures LLC ("CHV"), a company controlled by the Chairman, John G Berylson. These facilities were extended during the year to £20 million, with the repayment date extended to 1 July 2015. Since the year end the Company has indicated that it will seek further finance through the issue of a new class of shares to existing shareholders both to raise further cash and to pay down existing debt.

While there will always remain inherent uncertainty, the directors remain confident that they will be able to manage the Group's finances and operations so as to achieve the forecasted cash flows and, as a result, that it is appropriate to draw up the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

New standards and interpretations

No new standards or interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) have led to any material changes in the Group's accounting policies or disclosures during the year.

The IASB and IFRIC have issued or amended the following standards and interpretations that are mandatory for later accounting periods, are relevant to the Group, and which have not been adopted early for the year ended 30 June 2013. These are:

- IFRS 10 – Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2014) establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and replaces the consolidation requirements in IAS 27. This has been endorsed for use in the EU.
- IFRS 12 – Disclosure of Interests in Other Entities (effective for accounting periods beginning on or after 1 January 2014) includes the disclosure requirements for all forms of interests in other entities. This has been endorsed for use in the EU.
- IFRS 13 – Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013) sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. This has been endorsed for use in the EU.

1 Accounting policies *(continued)*

New standards and interpretations *(continued)*

- IAS 27 (Amendment) – Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2014) updates the definitions in the Standard to be consistent with the requirements in IFRS 10, IFRS 11, IFRS 12 and IAS 28, but the accounting treatments themselves are unchanged. This has been endorsed for use in the EU.

- IFRS 7 (Amendment) – Disclosures: Offsetting Financial Assets and Financial Liabilities (effective for accounting periods beginning on or after 1 January 2013) introduces disclosures intended to enable users of financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. This has been endorsed for use in the EU.

- IAS 32 (Amendment) – Offsetting Financial Assets and Financial Liabilities (effective for accounting periods beginning on or after 1 January 2014) seeks to clarify rather than change the offsetting requirements previously set out in IAS 32. This has been endorsed for use in the EU.

- IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2015) will eventually replace IAS 39 in its entirety. However, to date the Standard has focused only on the classification and measurement of financial instruments. This has not yet been endorsed for use in the EU.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application, other than on presentation and disclosure.

The IASB has also issued or made amendments to IFRS 1, IFRS 11, IAS 28, IAS 19, IFRIC 20, IAS 36, IAS 39 and IFRIC 21 but these changes are not relevant to the current operations of the Group.

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries, The Millwall Football and Athletic Company (1985) PLC and Millwall Property Limited). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The consolidated financial statements present the financial results of the Company and its subsidiaries (the Group) as if they formed a single entity.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate, using the purchase method.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Players' registrations

The costs associated with the acquisition of players' registrations are initially recorded at fair value of the consideration payable at the date of acquisition as intangible fixed assets. These costs are fully amortised over the period of the respective players' contracts.

For the purposes of impairment reviews, acquired players' registrations are classified as a single cash-generating unit until the point at which it is made clear that the player is no longer an active member of the playing squad. In these circumstances the carrying value of the player's registration is reviewed against a measurable net realisable value.

Acquired players' registrations are classified as "Assets held for sale" on the balance sheet if, at any time, it is considered that the carrying amount of a registration will be recovered principally through sale and an active programme is in place to sell the player. The measurement of the registration is the lower of (a) fair value (less costs to sell) and (b) carrying value. Amortisation of the asset is suspended at the time of reclassification, although impairment charges are made if applicable.

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

1 Accounting policies *(continued)*

Signing on fees

Signing on fees are charged, on a straight line basis, to the statement of comprehensive income over the period of the player's contract. Prepayments/accruals arising at each period end are included within prepayments and accrued income or accruals within current assets or current liabilities, as appropriate. Where a player's registration is transferred, any signing on fee payable in respect of future periods are charged against the profit/(loss) on disposal of players' registrations in the period in which the disposal is recognised.

Transfer fees

Transfer fees receivable are recognised in the period in which the registration is transferred and any profit or loss arising is dealt with in the statement of comprehensive income. Contingent transfer fees receivable are recognised once the contingent conditions have been met.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on a straight line basis, as follows:

Long leasehold premises	– 1% per annum
Fixtures and fittings	– 20% per annum
Motor vehicles	– 25% per annum

Residual value is initially calculated on prices prevailing at the date of acquisition. Residual value is reviewed in each financial period and any changes to initial estimates are reflected in the period of change.

Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to sell. Provision is made for obsolete, slow moving or defective items where appropriate.

Impairment of non-financial assets (excluding inventories)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in the other expenses line item in the consolidated statement of comprehensive income.

Taxation

Corporation tax payable is provided on taxable profits at the rates that are enacted or substantively enacted at the balance sheet date.

for the year ended 30 June 2013 *(continued)*

1 Accounting policies *(continued)*

Deferred taxation

Deferred income tax is calculated using the balance sheet asset-liability method of tax allocation for all temporary differences arising between the book value of assets and liabilities and their tax bases, except for differences arising on:

- the initial recognition of goodwill,
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiary where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that there will be future taxable profits on which this asset can be charged. Deferred income tax assets are reduced to the extent that it is no longer likely that a sufficient taxable benefit will arise.

Deferred taxation balances are calculated at rates either enacted or substantively enacted at the balance sheet date and are shown on the balance sheet separately from current tax assets and liabilities and categorised among non-current items.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either the same taxable group company or different group entities which intend to either settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Pension costs and other post retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Where the Group is a member of a multi-employer scheme and a reliable identification of its assets and liabilities cannot be made then in accordance with IAS 19: "Employee Benefits" the contributions to the scheme are accounted for as though the scheme were a defined contribution scheme.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. The Group holds the following financial assets and liabilities:

Financial assets

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value and then subsequently carried at amortised cost using the effective rate method.

Financial liabilities

Other financial liabilities: Other financial liabilities include the following items- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value; Loan note borrowings which are initially recognised at fair value being the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premia payable on redemption, as well as any interest payable while the liability is outstanding.

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

1 Accounting policies *(continued)*

Convertible financial instruments

The proceeds received on issue of the Company's convertible financial instruments are allocated into their financial liability and equity instrument components and presented separately in the balance sheet. On initial recognition, the financial liability component is determined by reference to the fair value of a similar liability that does not have an associated equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

The amount initially attributed to the liability component equals the fair value of the liability discounted at the Company's estimated cost of capital. In subsequent years, following initial recognition, the liability element is stated at amortised cost under the effective interest method. The discount is unwound with the movement taken to profit or loss and over time the carrying value of the liability component accumulates to the value of the financial liability.

Transaction costs that are related to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds. The amounts initially allocated to the financial liability and equity instrument components are not subsequently re-measured.

Where the convertible financial instrument is converted at maturity, the carrying value of amounts recognised as a financial liability at maturity are transferred to equity.

The Group has concluded that "PIK notes" issued in settlement of loan note interest obligations have characteristics more akin to debt than equity so these instruments are reflected as financial liabilities.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits all with maturities of three months or less from inception, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and under the effective interest method.

Leased assets

Finance leases are those which transfer substantially all of the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised as property, plant and equipment and are depreciated over the shorter of the lease term or their useful economic life. The capital elements of future lease obligations are included within borrowings, while the interest elements are charged to the statement of comprehensive income over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

All other leases are operating leases, the rentals on which are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Trade and other payables and receivables

Trade and other payables and receivables on normal terms are stated at their nominal value, less, in the case of receivables, any impairment losses that may be required.

Other payables, on deferred terms, in particular the purchase of players' registrations, are recorded at their fair value on the date of the transaction and subsequently at amortised cost.

Other receivables on deferred terms, in particular the proceeds from sales of players' registrations, are recorded at their fair value at the date of sale and subsequently at amortised cost less allowances for impairment.

for the year ended 30 June 2013 *(continued)*

1 Accounting policies *(continued)*

Revenue recognition

Revenue represents income receivable from the Group's principal activities excluding transfer fees and value added tax. Revenue is recognised at the fair value of the consideration receivable. Revenue is split between three categories of income stream; Match Day, Central League Awards and Commercial.

Match Day

Match Day revenue represents income receivable from all match day activities from Millwall games at The Den, together with the share of gate receipts from cup games not played at The Den. The share of gate receipts payable to the other participating club for domestic cup matches played at The Den is treated as a reduction in revenue. Season ticket revenue is recognised over the period of the football season as home matches are played.

Central League Awards

Central League Award revenue comprises the Basic Award and the Solidarity Award from the Football League, along with grant income for the academy and prize money earned from cup competitions. Awards are recognised over the financial period to which they relate.

Commercial

Commercial revenue comprises income receivable through sponsorship, shop revenue, use of the conference and catering facilities at The Den on non-match days and sundry other income. Sponsorship contracts are recognised over the duration of the contract, either on a straight line basis, or over the period of the football season, as appropriate based on the terms of the contract. Catering revenues are recognised on an earned basis. Revenue from sale of branded products is recognised at the point of dispatch when significant risks and rewards of ownership are deemed to have been transferred to the buyer.

Deferred income

All income received in advance of football activities, such as season ticket revenue, league awards, advertising, sponsorship and broadcasting revenues are treated as deferred income and released to income over the period or number of matches to which they relate.

Grants

Grants relating to property, plant and equipment are treated as deferred income and released to the income statement as the assets concerned are depreciated. Other grants are credited to the income statement as the related expenditure is incurred.

2 Segmental analysis

The Group has one main operating segment in the current and preceding year, that of professional football operations. As a result, no additional operating segment information is required to be provided. It operates in one geographical segment, the United Kingdom. Chief operating decisions are made primarily by the Board of Directors.

The analysis of group revenue is as follows:

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Match Day	**5,391**	4,638
Central League Awards	**5,749**	4,835
Commercial	**1,669**	1,991
	12,809	11,464

Notes to the Accounts

3 Finance expense

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Finance expense		
Interest on loan notes	**1,862**	1,164

4 Loss from operations

Loss from operations is stated after charging/(crediting):

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Depreciation and amounts written off property, plant and equipment		
– owned	**245**	245
Amortisation of grant	**(82)**	(82)
Amortisation of player registrations	**733**	690
Operating lease rentals		
– land and property	**237**	237
Auditors' remuneration		
– Audit of company financial statements	**5**	5
– Audit of financial statements of subsidiaries	**30**	30
– Taxation services	**11**	8
– Other services	**5**	3
Directors' emoluments	**138**	133
Profit on sale of players' registrations	**(381)**	(205)

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

5 Staff costs

The average monthly number of employees in the Group (including executive directors) was:

	Year ended 30 June 2013 Number	*Year ended 30 June 2012 Number*
Football team management	8	12
Administrative and ground staff	71	62
Players	50	45
	129	119

In addition, the Group employs, on average, a further 130 (2012: 122) temporary staff on matchdays.

Aggregate remuneration comprised:

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Wages and salaries	10,781	8,949
Social security costs	1,238	1,068
Pension costs	34	233
	12,053	10,250

6 Directors' remuneration

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Directors' emoluments	138	133
Pension costs	24	24
Total directors' remuneration	162	157

Payments to money purchase pension schemes were made in respect of one director (2012: 1)

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

7 Tax expense

No taxation charge arises in either the current or prior year due to the incidence of losses incurred and capital allowances claimed during that year.

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

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Loss on ordinary activities before tax	**(6,235)**	(5,118)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%)	**(1,481)**	(1,305)
Effects of:		
Expenses not deductible for tax purposes	**492**	126
Losses for which deferred tax assets are not recognised	**989**	1,179
Total tax charge for the year	**–**	–

Deferred tax

At 30 June 2013 the Group had estimated tax losses carried forward of £55.3m (2012: £52.1m), subject to the agreement of HM Revenue and Customs. After assessing the prospects for the 2014 financial year the Board has decided to not recognise any deferred tax asset as it is prudent to estimate that no losses will be utilised in that period. The amount of the unprovided deferred tax asset at 23% (2012: 24%) is calculated at £12.7m (2012: £12.5m).

At 30 June 2013 the Group had £8.7m (2012: £8.5m) of unclaimed capital allowances. These have not been recognised as the Board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £2.0m (2012: £2.0m).

At 30 June 2013 the Group had capital losses carried forward of £4.7m (2012: £4.7m). These have not been recognised as the Board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £1.1m (2012: £1.1m).

for the year ended 30 June 2013 *(continued)*

8 Intangible assets

	Players' registrations £000
Cost	
1 July 2011	1,962
Additions	971
Disposals	(1,051)
30 June 2012	1,882
Additions	1,004
Disposals	(469)
30 June 2013	2,417
Amortisation	
1 July 2011	771
Charge for the year	690
Disposals	(550)
30 June 2012	911
Charge for the year	733
Disposals	(376)
30 June 2013	1,268
Net book value	
30 June 2012	971
30 June 2013	1,149

Included in the net book value of players' registrations are three registrations at net book values at 30 June 2013 of £329,000, £220,000 and £203,000 (2012: four at £240,000, £161,000, £150,000 and £114,000). The respective remaining useful lives of these registrations are three years, one year and one year respectively. One of these players was acquired during the year ended 30 June 2013 with the others acquired in the previous year.

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

9 Property, plant and equipment

	Long leasehold premises £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost				
1 July 2011	17,629	3,566	42	21,237
Additions	–	61	–	61
30 June 2012	17,629	3,627	42	21,298
Additions	–	62	–	62
30 June 2013	**17,629**	**3,689**	**42**	**21,360**
Accumulated depreciation				
1 July 2011	3,198	3,287	42	6,527
Charge for the year	176	69	–	245
30 June 2012	3,374	3,356	42	6,772
Charge for the year	176	69	–	245
30 June 2013	**3,550**	**3,425**	**42**	**7,017**
Net book value				
30 June 2012	14,255	271	–	14,526
30 June 2013	**14,079**	**264**	–	**14,343**

Included in amounts classified as long leasehold premises are the costs associated with the building of a football stadium at Senegal Fields.

10 Inventories

	30 June 2013 £000	*30 June 2012 £000*
Goods for resale	**186**	137

Goods for resale include an amount of £166,000 (2012: £121,000) carried at fair value less costs to sell. The amount of inventories recognised as an expense during the year was £528,000 (2012: £476,000).

11 Trade and other receivables

	30 June 2013 £000	*30 June 2012 £000*
Current		
Trade receivables	**831**	1,625
Other receivables	**37**	14
Prepayments and accrued income	**709**	570
	1,577	2,209

for the year ended 30 June 2013 *(continued)*

11 Trade and other receivables *(continued)*

All amounts shown under trade receivables fall due for payment within one year.

In the directors' opinion the carrying value of trade and other receivables are stated at their fair value, after deduction of appropriate allowances for irrecoverable amounts, as these assets are not interest bearing and receipts occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other receivables that are neither past due nor impaired are considered recoverable.

At 30 June 2013 trade receivables of £89,000 (2012: £103,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	30 June 2013 £'000	*30 June 2012 £'000*
Up to 3 months	–	–
3 to 6 months	89	103
	89	103

12 Trade and other payables

	30 June 2013 £000	*30 June 2012 £000*
Current:		
Trade and other payables	1,213	1,286
Taxation and social security	642	866
Accruals	259	376
	2,114	2,528
Deferred income	1,523	1,684
	3,637	4,212
Non-current:		
Trade and other payables	188	225
Accruals	565	500
	753	725
Deferred income	3,056	3,200
	3,809	3,925

Included within deferred income is:

- an amount of £1,379,000 (2012: £1,540,000) relating to amounts received in advance, in respect of season tickets, executive boxes and sponsorship relating to the following year.
- unamortised grants totalling £2,450,000 (2012: £2,532,000) received in respect of the long leasehold premises and other fixtures and fittings.
- unamortised proceeds of £750,000 (2012: £812,000) from the sale of the Training Ground in excess of market value which are being amortised on a straight line basis over 20 years to 2025.

In the directors' opinion the carrying values of trade and other payables are stated at their fair value as they are not interest bearing and payments occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other payables are considered to be payable within 60 days.

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

13 Financial liabilities

	30 June 2013 £000	30 June 2012 £000
Non-current:		
Amounts relating to convertible loan notes	-	590
Amounts relating to non-convertible loan notes	14,521	7,263
Amounts relating to PIK notes	-	2,362
Interest accrued on loan notes	4,284	2,425
	18,805	12,640

All financial liabilities are classified as financial liabilities at amortised cost.

£13,996,000 of the loan notes are secured by a fixed and floating charge over the current and future assets of the Group. The remaining £525,000 of loan notes are unsecured.

Amounts relating to convertible loan notes at 30 June 2012 referred to the financial liability component of the Company's issued convertible loan notes which were repaid on 19 November 2012 when the instruments were transferred into the new £20m non-convertible loan note facility. The liability element of the convertible loan was recognised in accordance with the accounting policy as set out in note 1.

Details of the terms of the loan instruments are provided in note 16.

Financial liabilities are due:

	Amounts relating to non-convertible loan notes (including related PIK notes)		*Amounts relating to convertible loan notes (including related PIK notes)*		*Total*	
	30 June 2013 £000	30 June 2012 £000	30 June 2013 £000	30 June 2012 £000	30 June 2013 £000	30 June 2012 £000
Amount payable						
– after one year but within two years	-	8,872	-	1,343	-	10,215
– after two years but within five years	14,521	-	-	-	14,521	-
	14,521	8,872	-	1,343	14,521	10,215

14 Share capital

	30 June 2013 Number	*30 June 2012 Number*
Allotted, called up and fully paid		
Ordinary shares of £10 each	**1,390,523**	1,390,523
Deferred shares of 0.09p each	**2,592,087,167**	2,592,087,167
	2,593,477,690	2,593,477,690

	£000	*£000*
Allotted, called up and fully paid		
Ordinary shares of £10 each	**13,905**	13,905
Deferred shares of 0.09p each	**2,333**	2,333
	16,238	16,238

Deferred shares
The rights attaching to the deferred shares render them effectively valueless. The deferred shares do not carry any voting rights or rights to payment of a dividend. On a winding up of the Company or on a return of capital the deferred shares entitle the shareholders only to the repayment of the amounts paid up on those shares after the repayment of the capital paid up on the ordinary shares and the payment of £100,000 on each ordinary share. The deferred shares are non redeemable.

Convertible loan notes
At 30 June 2012 the Company had £671,000 of convertible loan notes which remained drawn down and unconverted. This debt was potentially convertible into 22,372 ordinary shares of £10 each. The lender had the right to convert the loan notes by giving notice in writing to the Company at any time up to 1 July 2013. If exercised the price paid for each ordinary share would have been £30.

On 19 November 2012, these convertible loan notes were repaid when they were transferred into the new £20m non-convertible loan note facility.

The convertible loan notes had 30,683 (2012: 30,683) warrants attached, which remain in issue and are exercisable, at any time, at a price of £40 each.

Payment in Kind Notes
At 30 June 2012 the Company had £2,362,000 of PIK Notes which had not been repaid of which £753,000 carried the same terms as the convertible loan notes referred to above. On 19 November 2012, these PIK notes were repaid when they were transferred into the new £20m non-convertible loan note facility.

Accrued interest
Accrued interest of £512,000 (2012: £319,000) arising on the above instruments is potentially convertible into 12,800 (2012: 7,975) ordinary shares of £10 each.

for the year ended 30 June 2013 *(continued)*

15 Financial commitments and contingent assets/liabilities

a) Non-cancellable operating leases

The total value of minimum lease payments in respect of property leases are due as follows:-

	Land and buildings	
	30 June 2013 £000	*30 June 2012 £000*
Not later than one year	**237**	237
Later than one year but not later than five years	**1,047**	1,047
Later than five years	**8,388**	8,625
	9,672	9,909

b) Pensions

The football club is one of 54 participating employers in the Football League Limited Pension and Life Assurance Scheme. Until 31 August 1999, this scheme was a defined benefit scheme. After that date, the scheme was closed to new members and a new scheme started to provide benefits on a defined contribution basis.

Contributions to the defined benefit scheme were determined in accordance with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method. The most recent valuation for which financial information is currently available was conducted on 31 August 2011 on scheme data.

The valuation carried out on 31 August 2011 was in accordance with Regulations under the Pensions Act 1995 on a Scheme Specific Funding basis. This valuation showed that the deficit had increased due to the lower than expected investment returns and a change in the assumptions to allow for a de-risking of the investment strategy. The valuation has indicated that the Club's share of the deficit was £280,790 as at 31 August 2011. This is being repaid over a ten year period, at a monthly repayment of £3,426 from September 2012.

At 30 June 2013, 1 (2012: 1) of the subsidiary's employees was a member of the scheme. Contributions were paid by the subsidiary being 10.4% (2012: 10.4%) of the member's pensionable salary for the period. The Group is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis so the scheme has been treated as a multi-employer scheme in these financial statements. The directors do not believe any deficiency will be material for the Group.

Certain other employees of the Group, except for football players who are responsible for their own pension arrangements, are eligible to be members of defined contribution schemes. The assets of any schemes are held in funds separate from the Group.

c) Transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be receivable/payable by the Group if conditions as to future team selection are met. The maximum that could be receivable is £Nil (2012: £200,000). The maximum that could be payable is £Nil (2012: £566,000). These amounts have not been provided for in the financial statements. These amounts do not include various payments or receipts that are determinable only on circumstances which are distant or outside the direct control of the parties to the contract and the player in question.

for the year ended 30 June 2013 *(continued)*

16 Nature and extent of financial instruments

The Group's financial instruments include the following:

- trade and other receivables
- trade and other payables
- cash and cash equivalents
- accruals
- convertible loan notes
- non-convertible loan notes and
- PIK notes

Categories of Financial Instruments

	30 June 2013 £000	*30 June 2012 £000*
Classification of financial assets:		
Trade receivables	**831**	1,625
Other receivables	**37**	14
Cash and cash equivalents	**206**	460
Total financial assets classified as loans and receivables at amortised cost	**1,074**	2,099
Classification of financial liabilities:		
Trade and other payables	**1,401**	1,511
Accruals (including accrued interest on loan notes)	**5,108**	3,301
Amounts relating to convertible loan notes	**-**	590
Amounts relating to non-convertible loan notes	**14,521**	7,263
Amounts relating to PIK notes	**-**	2,362
Total financial liabilities measured at amortised cost	**21,030**	15,027

Financial Instruments – Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

The Group does not trade in financial instruments or carry out derivative transactions. There is no foreign currency exposure.

Credit risk

Maximum exposure to credit risk arises principally from the Group's trade and other receivables and cash at bank and cash equivalent.

It is the risk that the counterparty fails to discharge their obligations and could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

The Group manages this risk by using a reputable bank and requesting references from customers that are previously unknown to the Group.

The Group does not consider that it has any significant risk due to the profile of its customers.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group considers the interest rates available when deciding where to place cash balances. The Group has no material exposure to interest rate risk as cash is held only on short-term deposit and the interest on all borrowings is fixed over the facility term.

16 Nature and extent of financial instruments *(continued)*

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and repayments of its liabilities. It is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

The Group's policy is to monitor and update cash flow forecasts on at least a weekly basis, to ensure that it will have sufficient cash available to it to allow it to meet its liabilities when they become due. Should a future cash shortfall be identified, the directors will explore the options available to the Group to raise the necessary funds. The Group had, at the year end, undrawn loan facilities of £6,004,000 (2012: £Nil).

The maturity analysis of financial liabilities is shown in note 13.

Interest bearing financial assets

Financial assets include sterling balances on deposit which may be withdrawn on demand. Interest is earned on cleared balances at market rate as and when monetary deposits are made. At 30 June 2013 the Group had £254,000 (2012: £334,000) on deposit.

Convertible loan notes

The convertible loan notes carried interest at 9%p.a. calculated daily and consolidated quarterly. At the option of the Company the interest could be settled by the issue of PIK (Payment in Kind) notes which had the same terms as the loan notes to which they relate and carried the same interest terms. The convertible loan note facility was fully drawn down at the start of the year and was repaid in full when transferred into the new facility of £20m on 19 November 2012.

Non-convertible loan notes

Non-convertible loan notes at 30 June 2012 comprised the following:

- A £3,000,000 facility carrying interest at 10% p.a. calculated daily and consolidated quarterly and a £3,100,000 facility which carried interest at 15% p.a. calculated daily and consolidated quarterly. These facilities were fully drawn at the start of the current year and repaid on 19 November 2012 when they were transferred into the new £20m loan note facility described below.

- A £300,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly (having been changed from 15% p.a. during the year). This facility was fully drawn at 30 June 2012 and 30 June 2013, and is now available to the Company until 1 July 2015 (having been extended during the year).

The following new facilities were arranged during the current year:

- A £225,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. This facility was fully drawn down during the year. It is available to the company until 1 July 2015.

- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2013 £13,996,000 of this facility had been drawn down. It is available to the company until 1 July 2015.

At the option of the Company the interest on all non-convertible loan notes may be settled by the issue of PIK notes which have the same terms as the loan notes to which they relate and carry the same interest terms.

Fair values

The fair value of the financial assets and liabilities at 30 June 2013 and 30 June 2012 are not materially different from their book values.

Capital disclosures

The Group's key management personnel define capital as the Group's cash holding of £206,000 (2012: £460,000); loan notes and accrued interest of £18,805,000 (2012: £12,640,000) and equity share capital and premium of £31,390,000 (2012: £31,390,000).

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure the Group may seek to sell assets or issue equity instruments to reduce debt.

for the year ended 30 June 2013 *(continued)*

17 Related party transactions

John G Berylson (Non-Executive Chairman) and Demos Kouvaris (Non-Executive Director) are respectively Chairman, Chief Operating Officer and Chief Financial Officer of Chestnut Hill Ventures LLC, the Company's immediate controlling party. Chestnut Hill Ventures LLC and has advanced the following lines of credit to the Company:

- A convertible loan note facility which carried interest at 9% p.a. The facility was fully drawn to £671,000 at the start of the year and was repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.
- A £3,000,000 non-convertible loan note facility which carried interest at 10% p.a. This facility was fully drawn at the start of the year and was repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.
- A £3,100,000 non-convertible loan note facility which carried interest at 15% p.a. This facility was fully drawn at the start of the year and was repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.
- A £20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2013 £13,996,000 (2012: £Nil) of this facility had been drawn down.

During the year, interest totalling £1,812,000 (2012: £1,144,000) accrued under facilities provided by Chestnut Hill Ventures LLC, £4,217,000 (2012: £2,405,000) of which remains unpaid at the balance sheet date. £2,362,000 of PIK notes previously issued in lieu of interest remained in issue. However, these were repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.

Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director) and J Press, spouse of R Press (Non-Executive Director), subscribed for £300,000 of non-convertible loan notes which carry interest at 12% p.a. as amended from 15% p.a. during the year. At 30 June 2013, the balance drawn under this facility was £300,000 (2012: £300,000). During the year, interest totalling £45,000 (2012: £20,000) accrued under these facilities, £65,000 (2012: £20,000) of which remains unpaid at the balance sheet date.

During the year Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), J Press, spouse of R Press (Non-Executive Director), and C M Caferro, son-in-law of R Press subscribed for a further £225,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2013, the balance drawn under this facility was £225,000 (2012: £Nil). During the year, interest totalling £5,000 (2012: £Nil) accrued under these facilities, £5,000 (2012: £Nil) of which remains unpaid at the balance sheet date.

18 Accounting estimates and judgements

Critical accounting judgements in applying the Group's policies

The preparation of financial statements under IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Certain critical accounting judgements made in applying the Group's accounting policies are described below:

Acquired players' registrations

In assessing whether the registration of any individual player requires reclassification to "Assets held for sale" and, if so, whether any impairment charge is required, the directors will apply the accounting policy detailed in note 1.

Useful lives of intangible assets

Intangible assets are amortised over the length of the players' contract which is deemed to be their useful lives and management's estimates as to their continuing usefulness to the football side.

Useful lives of property, plant and equipment

Property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on management estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness.

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

19 Reserves

Reserve	**Description and purpose**
Share capital	Amount subscribed for ordinary and deferred share capital at nominal value.
Share premium	Amount subscribed for ordinary and deferred share capital in excess of nominal value.
Equity proportion of convertible loan notes	The residual equity element of the convertible loan note instrument after deducting all liability components.
Capital reserve	Amount arising on cancellation of deferred shares and share premiums in prior years.
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement. of comprehensive income.

20 Ultimate controlling party

The Company is under the control of Chestnut Hill Ventures LLC, a company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by John G Berylson and Richard A Smith, as Trustee of the Phillip Smith dec'd Will Trust.

Company Balance Sheet

as at 30 June 2013

Company number: 2355508

	Notes	*30 June 2013 £000*	*30 June 2012 £000*
Fixed assets			
Investments	v	10,052	10,195
Current assets			
Debtors	vi	22	24
Cash at bank and in hand		-	22
		22	46
Creditors: Amounts falling due within one year	vii	(59)	(75)
Net current liabilities		(37)	(29)
Total assets less current liabilities		10,015	10,166
Creditors: Amounts falling due after more than one year	viii	(18,805)	(12,640)
Net liabilities		(8,790)	(2,474)
Capital and reserves			
Called up share capital	ix	16,238	16,238
Share premium account	x	15,152	15,152
Equity proportion of convertible loan notes	x	-	81
Capital reserve	x	21,416	21,416
Retained deficit	x	(61,596)	(55,361)
Shareholders' funds (in deficit)	xi	(8,790)	(2,474)

The accounts on pages 31 to 37 were approved by the Board of Directors and authorised for issue on 7 November 2013.

A Ambler
Director

The accompanying notes form an integral part of this Balance Sheet.

Notes to the Accounts

for the year ended 30 June 2013

1 Accounting policies

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law. The principal accounting policies are summarised below.

Going concern

At 30 June 2013, the Company had net liabilities of £8.8 million and net current liabilities of £37,000.

The directors continually monitor the financial position of the group headed by the Company and have prepared the financial statements on a going concern basis, having had regard to:

- cash flow projections, including the effect of player trading; and
- the continuing provision of facilities to the Group from Chestnut Hill Ventures LLC ("CHV"), a company controlled by the Chairman, John G Berylson. These facilities were extended during the year to £20 million, with the repayment date extended to 1 July 2015. Since the year end the Company has indicated that it will seek further finance through the issue of a new class of shares to existing shareholders both to raise further cash and to pay down existing debt.

While there will always remain inherent uncertainty, the directors remain confident that they will be able to manage the Company's finances and operations so as to achieve the forecasted cash flows and, as a result, that it is appropriate to draw up the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

Corporation tax payable is provided on taxable profits at the rates that are enacted or substantively enacted at the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

for the year ended 30 June 2013 *(continued)*

i Accounting policies *(continued)*

Convertible financial instruments

The proceeds received on issue of the Company's convertible financial instruments are allocated into their financial liability and equity instrument components and presented separately in the balance sheet.

On initial recognition, the financial liability component is determined by reference to the fair value of a similar liability that does not have an associated equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

The amount initially attributed to the liability component equals the fair value of the liability discounted at the Company's estimated cost of capital. In subsequent years the discount is unwound with the movement taken to the profit and loss account and over time the carrying value of the liability component accumulates to the value of the financial liability.

Transaction costs that are related to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

The amounts initially allocated to the financial liability and equity instrument components are not subsequently re-measured.

Upon conversion, the carrying value of amounts recognised as a financial liability are transferred to equity.

The Company has concluded that "PIK notes" issued in settlement of loan note interest obligations have characteristics more akin to debt than equity so these instruments are reflected as financial liabilities.

Financial instruments

Financial instruments are initially and subsequently recognised at cost.

ii Parent company loss

The Company has taken advantage of the exemption in the Companies Act 2006 S408 not to present its own profit and loss account. A loss of £6,235,000 (2012: £5,118,000) of the consolidated loss for the year attributable to the shareholders of Millwall Holdings PLC has been dealt with in the accounts of the Company.

iii Employees

The average number of employees of the Company during the year, including directors, was 6 (2012: 6). There were no employment costs borne by the Company in the current or prior year.

iv Loss for the year

The Company's loss for the year is stated after charging:

	Year ended 30 June 2013 £000	*Year ended 30 June 2012 £000*
Auditors' remuneration for the audit of Company financial statements	**5**	5
Directors' emoluments – paid by subsidiaries	**138**	133

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

v Investments

	Shares in subsidiary undertakings £000	*Loan to subsidiary undertakings £000*	*Total £000*
Cost			
1 July 2012	400	61,648	62,048
Additions	–	3,894	3,894
30 June 2013	**400**	**65,542**	**65,942**
Amounts provided for			
1 July 2012	–	51,853	51,853
Provided in year	–	4,037	4,037
30 June 2013	–	**55,890**	**55,890**
Net book value			
30 June 2013	**400**	**9,652**	**10,052**
30 June 2012	400	9,795	10,195

At 30 June 2013, the Company's subsidiaries, which are incorporated, registered and operate in England and Wales, were The Millwall Football and Athletic Company (1985) PLC, a football club, and Millwall Properties Limited, a property development company. The Company owns 100% of the issued share capital and the voting rights of each of these companies.

All investments are unlisted. In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet, taking into account underlying goodwill and the value of players' registrations.

vi Debtors

	30 June 2013 £000	*30 June 2012 £000*
Prepayments and accrued income	**22**	24

All amounts shown under debtors in respect of the current year fall due for payment within one year.

vii Creditors: Amounts falling due within one year

	30 June 2013 £000	*30 June 2012 £000*
Other creditors	**7**	7
Accruals and deferred income	**52**	68
	59	75

for the year ended 30 June 2013 *(continued)*

viii Creditors: Amounts falling due after more than one year

	30 June 2013 £000	30 June 2012 £000
Amounts relating to convertible loan notes	-	590
Amounts relating to non-convertible loan notes	14,521	7,263
Amounts relating to PIK notes	-	2,362
Interest accrued on loan notes	4,284	2,425
	18,805	12,640

£13,996,000 of the loan notes are secured by a fixed and floating charge over the current and future assets of the group headed by the Company.

Amounts relating to convertible loan notes referred to the financial liability component of the Company's issued convertible loan notes. The liability element of the convertible loan was recognised in accordance with the accounting policy as set out in note 1.

The convertible loan notes carried interest at 9%p.a. calculated daily and consolidated quarterly. At the option of the Company the interest could be settled by the issue of PIK (Payment in Kind) notes which had the same terms as the loan notes to which they relate and carried the same interest terms. The convertible loan note facility was fully drawn down at the start of the year and was repaid in full when transferred into the new facility of £20m on 19 November 2012.

Non-convertible loan notes at 30 June 2012 comprised the following:

- A £3,000,000 facility carrying interest at 10% p.a. calculated daily and consolidated quarterly and a £3,100,000 facility which carried interest at 15% p.a. calculated daily and consolidated quarterly. These facilities were fully drawn at the start of the current year and repaid on 19 November 2012 when they were transferred into the new £20m loan note facility described below.
- A £300,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly (having been changed from 15% p.a. during the year). This facility was fully drawn at 30 June 2012 and 30 June 2013, and is now available to the Company until 1 July 2015 (having been extended during the year).

The following new facilities were arranged during the current year:

- A £225,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. This facility was fully drawn down during the year. It is available to the company until 1 July 2015.
- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2013 £13,996,000 of this facility had been drawn down. It is available to the company until 1 July 2015.

At the option of the Company the interest on all non-convertible loan notes may be settled by the issue of PIK notes which have the same terms as the loan notes to which they relate and carry the same interest terms.

Financial liabilities are due:

	Amounts relating to non-convertible loan notes (including related PIK notes)		*Amounts relating to convertible loan notes (including related PIK notes)*		*Total*	
	30 June 2013 £000	30 June 2012 £000	**30 June 2013 £000**	30 June 2012 £000	**30 June 2013 £000**	30 June 2012 £000
Amount payable						
– after one year but within two years	-	8,872	-	1,343	-	10,215
– after two years but within five years	14,440	-	-	-	14,440	-
	14,440	8,872	-	1,343	**14,440**	10,215

Notes to the Accounts

for the year ended 30 June 2013 *(continued)*

ix Share capital

	30 June 2013 Number	*30 June 2012 Number*
Allotted, called up and fully paid		
Ordinary shares of £10 each	1,390,523	1,390,523
Deferred shares of 0.09p each	2,592,087,167	2,592,087,167
	2,593,477,690	2,593,477,690

	£000	*£000*
Allotted, called up and fully paid		
Ordinary shares of £10 each	13,905	13,905
Deferred shares of 0.09p each	2,333	2,333
	16,238	16,238

Deferred shares
The rights attaching to the deferred shares render them effectively valueless. The deferred shares do not carry any voting rights or rights to payment of a dividend. On a winding up of the Company or on a return of capital the deferred shares entitle the shareholders only to the repayment of the amounts paid up on those shares after the repayment of the capital paid up on the ordinary shares and the payment of £100,000 on each ordinary share. The deferred shares are non redeemable.

Convertible loan notes
At 30 June 2012 the Company had £671,000 of convertible loan notes which remained drawn down and unconverted. This debt was potentially convertible into 22,372 ordinary shares of £10 each. The lender had the right to convert the loan notes by giving notice in writing to the Company at any time up to 1 July 2013. If exercised the price paid for each ordinary share would have been £30.

On 19 November 2012, these convertible loan notes were repaid when they were transferred into the new £20m non-convertible loan note facility.

The convertible loan notes had 30,683 (2012: 30,683) warrants attached, which remain in issue and are exercisable, at any time, at a price of £40 each.

Payment in Kind Notes
At 30 June 2012 the Company had £2,362,000 of PIK Notes which had not been repaid of which £753,000 carried the same terms as the convertible loan notes referred to above. On 19 November 2012, these PIK notes were repaid when they were transferred into the new £20m non-convertible loan note facility.

Accrued interest
Accrued interest of £512,000 (2012: £319,000) arising on the above instruments is potentially convertible into 12,800 (2012: 7,975) ordinary shares of £10 each.

x Reserves

	Ordinary shares of £10 each £000	*Deferred shares of 0.09p each £000*	*Share premium account £000*	*Equity component of convertible loan notes £000*	*Capital reserve £000*	*Retained deficit £000*
1 July 2012	13,905	2,333	15,152	81	21,416	(55,361)
Loss for the year	-	-	-	-	-	(6,235)
Convertible loan notes refinanced	-	-	-	(81)	-	-
30 June 2013	13,905	2,333	15,152	-	21,416	(61,596)

for the year ended 30 June 2013 *(continued)*

xi Reconciliation of movements in shareholders' funds (in deficit)

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Brought forward	(2,474)	2,644
Loss for the year	(6,235)	(5,118)
Convertible loan notes refinanced	(81)	-
Carried forward	(8,790)	(2,474)

xii Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with wholly owned group undertakings.

John G Berylson (Non-Executive Chairman) and Demos Kouvaris (Non-Executive Director) are respectively Chairman, Chief Operating Officer and Chief Financial Officer of Chestnut Hill Ventures LLC, the Company's immediate controlling party. Chestnut Hill Ventures LLC and has advanced the following lines of credit to the Company:

- A convertible loan note facility which carried interest at 9% p.a. The facility was fully drawn to £671,000 at the start of the year and was repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.
- A £3,000,000 non-convertible loan note facility which carried interest at 10% p.a. This facility was fully drawn at the start of the year and was repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.
- A £3,100,000 non-convertible loan note facility which carried interest at 15% p.a. This facility was fully drawn at the start of the year and was repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.
- A £20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2013 £13,996,000 (2012: £Nil) of this facility had been drawn down.

During the year, interest totalling £1,812,000 (2012: £1,144,000) accrued under facilities provided by Chestnut Hill Ventures LLC, £4,217,000 (2012: £2,405,000) of which remains unpaid at the balance sheet date. £2,362,000 of PIK notes previously issued in lieu of interest remained in issue. However, these were repaid in full on 19 November 2012 when transferred into the new facility of £20,000,000.

Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director) and J Press, spouse of R Press (Non-Executive Director), subscribed for £300,000 of non-convertible loan notes which carry interest at 12% p.a. as amended from 15% p.a. during the year. At 30 June 2013, the balance drawn under this facility was £300,000 (2012: £300,000). During the year, interest totalling £45,000 (2012: £20,000) accrued under these facilities, £65,000 (2012: £20,000) of which remains unpaid at the balance sheet date.

During the year Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), J Press, spouse of R Press (Non-Executive Director), and C M Caferro, son-in-law of R Press subscribed for a further £225,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2013, the balance drawn under this facility was £225,000 (2012: £Nil). During the year, interest totalling £5,000 (2012: £Nil) accrued under these facilities, £5,000 (2012: £Nil) of which remains unpaid at the balance sheet date.

xiii Ultimate controlling party

The Company is under the control of Chestnut Hill Ventures LLC, a company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by John G Berylson and Richard A Smith, as Trustee of the Phillip Smith dec'd Will Trust.

Millwall Holdings PLC

(Registered no. 02355508)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2013 annual general meeting of Millwall Holdings PLC **(Company)** will be held at The Den, Zampa Road, London, SE16 3LN at 11.00 a.m. on 3 December 2013 to consider, and if thought fit pass, the resolutions below. Resolutions 1 to 5 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions.

Ordinary business

ORDINARY RESOLUTIONS

1. To receive the audited accounts of the Company for the year ended 30 June 2013 and the reports of the directors and auditors thereon.
2. To re-elect James Berylson who retires by rotation, as a director.
3. To re-elect Richard Press who retires by rotation, as a director.
4. To re-appoint BDO LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise the directors to fix their remuneration.

Special business

ORDINARY RESOLUTIONS

5. That, in accordance with section 551 of the Companies Act 2006 **(2006 Act)**, the directors be and they are hereby generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company **(Rights)** up to an aggregate nominal amount of £2,000,000. This authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next annual general meeting of the Company save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired and further that such authority is to be in substitution for all other authorities conferred upon the directors in connection with section 80 of the Companies Act 1985 and/or section 551 of the 2006 Act save for the authority granted pursuant to resolution 2 of the general meeting of the Company held on 28 March 2007, any authority granted pursuant to resolution 6 of the annual general meeting of the Company held on 14 December 2012 and any authority granted pursuant to Resolution 6 below, which shall each remain in full force and effect.

SPECIAL RESOLUTIONS

6. That:

(a) the authorised share capital of the Company be and is increased from £16,238,108.4503 to £41,238,108.4503 by the creation of a new class of B ordinary shares of £1 each in the capital of the Company **(B Shares)** having the following rights and restrictions:

i. on a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied in the following order:

(a) first in paying to the holders of the B Shares a sum equal to the nominal amount paid up or credited as paid up on each B Share held by them plus £0.20 for each B Share held by them;

(b) second in paying to the holders of the ordinary shares of £10 each in the capital of the Company **(Ordinary Shares)** a sum equal to the nominal amount paid up or credited as paid up on each Ordinary Share held by them plus £100,000 for each Ordinary Share held by them;

(c) third in paying to the holders of the deferred shares of £0.0009 each in the capital of the Company **(Deferred Shares)** a sum equal to the nominal amount paid up or credited as paid up on each Deferred Share held by them; and

(d) the balance of such assets (if any) shall be distributed amongst the holders of the Ordinary Shares, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

ii. the holders of the B Shares shall not be entitled to receive any dividends.

iii. the B Shares shall not entitle the holders thereof to receive notice of or to attend general and other meetings of the Company unless the business of the meeting is or includes the consideration of a resolution for the winding up of the Company or a resolution modifying, altering or abrogating any of the rights, privileges, limitations or restrictions attached to the B Shares in which case the holders of the B Shares shall be entitled to vote only such resolution and shall have one vote for each B Share held.

iv. the B Shares may be redeemed at the option of the Company. Upon any redemption of B Shares, the Company shall pay to each registered holder (or in the case of joint holders, the holder whose name stands first in the register of members of the Company) of the B Shares which are to be redeemed a sum equal to the nominal amount paid up or credited as paid up on each B Share plus £0.20 for each B Share. Upon receipt of that amount the holder shall deliver to the Company for cancellation the certificate(s) for those B Shares or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate. In the case of a redemption of less than all of the B Shares for the time being in issue, the Company shall redeem the same proportion (as nearly as possible) of each holder's registered holding of B Shares, any fractions otherwise arising to be determined (in the absence of agreement between such holders) by lot supervised by the Board. The Company shall only redeem such of the B Shares as is permitted by the Companies Act 2006. If any holder of B Shares which are liable to be redeemed fails to deliver to the Company the documents referred to above, the Company shall retain the redemption monies on trust for that holder (without obligation to invest or earn or pay interest in respect of the same) until it receives those documents. The Company shall then pay the redemption monies to the relevant holder upon receipt of those documents.

(b) in accordance with section 551 of the 2006 Act and in addition to the authority granted pursuant to Resolution 5 above, the directors be and they are hereby unconditionally authorised, to allot B Shares or grant rights to subscribe for or to convert any security into B Shares **(B Rights)** up to an aggregate nominal amount of £20,000,000. This authority shall expire on 2 December 2018 save that the Company may, before such expiry, make an offer or agreement which would or might require B Shares to be allotted or B Rights to be granted and the directors may allot B Shares or grant B Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Millwall Holdings PLC

(Registered no. 02355508)

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

(c) in relation to the authority conferred by paragraph (b) above, the directors be and are hereby generally empowered in accordance with section 570 of the 2006 Act to allot B Shares for cash as if section 561(1) of the 2006 Act did not apply to such allotment.

7. That subject to the passing of Resolution 5 above, the directors be and are hereby generally empowered in accordance with section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) for cash pursuant to the authority conferred on them by Resolution 5 above as if section 561(1) of the 2006 Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

   i. the allotment of equity securities by way of a rights issue or other pre-emptive offer in favour of the holders of ordinary shares in the capital of the Company where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be) to the respective number of ordinary shares in the capital of the Company held by them on the record date for such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with the fractional entitlements or legal or practical difficulties under the laws of or requirements of any recognised regulatory body in any territory or otherwise; and

   ii. the allotment (other than as set out in i. above) of equity securities up to an aggregate nominal value not exceeding £2,000,000,

   and so that this power, unless previously renewed or revoked, shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if such authority had not yet expired.

By Order of the Board
T. Simmons
Secretary

Registered Office:
The Den,
Zampa Road,
London SE16 3LN
7 November 2013

Notes

(1) A holder of ordinary shares entitled to attend, speak and vote at the meeting may appoint a proxy to exercise all or any of his rights to attend, speak and vote instead of him. A proxy can only be appointed using the procedures set out in these notes and the notes to the form of proxy. A proxy need not be a member of the Company but must attend at the meeting to represent the member appointing him.

(2) A holder of ordinary shares may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. More than one proxy may not be appointed to exercise rights attached to any one share.

(3) A proxy form is enclosed. To be valid, the completed proxy form and the authority, if any, under which it is signed must be lodged with Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not less than 48 hours before the time fixed for the meeting. If you would prefer you may put your proxy form inside an envelope and write the Computershare address shown above onto the face of the envelope. Either method of returning your proxy form requires appropriate postage to be affixed.

(4) Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

(5) Completion and return of the proxy form will not preclude members entitled to attend, speak and vote at the meeting (or at any adjournment of the meeting) from doing so in person if they so wish.

(6) In the case of joint holders, the signature of any holder will be sufficient but the names of the joint holders should be stated. In the event of more than one joint holder voting in person or by proxy, the vote of the senior holder who enters a vote, by proxy or in person shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which their names stand in the register of members.

(7) In the case of a corporation, the proxy must be under the common seal or signed on its behalf by a duly authorised officer of the corporation.

(8) Each holder of ordinary shares present in person or by proxy shall have one vote on a show of hands and, on a poll, one vote for each such ordinary share held.

(9) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, holders of ordinary shares will be entitled to attend, speak and vote at the meeting only if they are entered in the register of members of the Company at close of business on the day which is two days before the day of the meeting or any adjournment thereof. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(10) Holders of deferred shares are not entitled to receive this Notice or to vote upon the resolutions proposed at the meeting.

(11) Please note that communications regarding the matters set out in this Notice will not be accepted in electronic form.

Resolutions Explanatory Notes

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS SET OUT IN THE NOTICE

Resolution 1 - Report and Accounts
The directors will present their report and the audited accounts for the year ended 30 June 2013.

Resolutions 2 and 3 – Re-election of James Berylson and Richard Press as directors
Under the Company's Articles of Association, James Berylson and Richard Press retire by rotation, and being eligible offer themselves for re-election.

Resolution 4 - Appointment and remuneration of auditors
The Company is required to appoint auditors to hold office until the next meeting at which the accounts are laid before it. It is proposed to re-appoint BDO LLP and to authorise the directors to fix their remuneration.

Resolution 5 - Section 551 authority
This resolution authorises the directors to allot and issue ordinary shares in the Company up to a nominal value of £2,000,000.

Resolution 6 – Creation of new B Shares
This resolution creates a new class of B Shares and authorises the Directors to allot and issue B Shares, on a non-pre-emptive basis. The B Shares are intended as a means of, from time to time, raising new cash equity investment or capitalising part of the Company's debts to Chestnut Hill Ventures LLC and certain other creditors of the Company to ensure that the Company complies with the 'Financial Fair Play Regulations' (**Regulations**) introduced by The Football League. Under current Regulations, if the Company incurs losses in excess of permitted annual levels, the Company must match that excess by equity investment up to an upper limit. If the Company does not comply with these Regulations then the Company's subsidiary The Millwall Football & Athletic Company (1985) plc would be subject to player registration restrictions. Resolution 6, if approved, will allow the Company to meet the equity investment requirements of the Regulations should these apply to the Company over the next 5 years.

The B Shares do not attract rights to dividends and do not carry voting rights (except in respect of resolutions which would amend the rights carried by the B Shares). On a return of capital the holders of the B Shares are entitled to be repaid the nominal value of each B Share held by them and an additional £0.20 for each B Share held by them, in preference to any payments due to the holders of the Ordinary Shares. The B Shares are redeemable at the option of the Company at a sum equal to the nominal amount paid up or credited as paid up on each B Share plus £0.20 for each B Share.

Resolution 7- Section 570 authority
This resolution authorises the directors to allot and issue ordinary shares in the Company on a non-pre-emptive basis up to a nominal value of £2,000,000.

Millwall Holdings PLC

(Registered no. 02355508)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Millwall Holdings PLC will be held at The Den, Zampa Road, London, SE16 3LN on 3 December 2013 at the close of the annual general meeting of the Company (which is to commence at 11.00 a.m. on 3 December 2013), for the purposes of considering, pursuant to section 656 of the Companies Act 2006, whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than 50% of its called up share capital.

By Order of the Board
T. Simmons
Secretary

Registered Office:
The Den
Zampa Road
London SE16 3LN

7 November 2013

Notes

(1) A holder of ordinary shares entitled to attend, speak and vote at the meeting may appoint a proxy to exercise all or any of his rights to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend at the meeting to represent his appointor.

(2) A holder of ordinary shares may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. More than one proxy may not be appointed to exercise rights attached to any one share.

(3) A proxy form is enclosed. To be valid, the completed proxy form and the authority, if any, under which it is signed must be lodged with Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol, BS99 3EA not less than 48 hours before the time fixed for the meeting. If you would prefer you may put your proxy form inside an envelope and write the Computershare address shown above onto the face of the envelope. Either method of returning your proxy form requires appropriate postage to be affixed.

(4) Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

(5) Completion and return of the proxy form will not preclude members entitled to attend, speak and vote at the meeting (or at any adjournment of the meeting) from doing so in person if they so wish. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

(6) Each holder of ordinary shares present in person or by proxy shall have one vote on a show of hands and, on a poll, one vote for each such ordinary share held.

(7) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, holders of ordinary shares will be entitled to attend, speak and vote at the meeting only if they are entered in the register of members of the Company 48 hours before the time appointed for the meeting or any adjournment thereof. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting

(8) Holders of deferred shares are not entitled to receive this Notice or to vote upon the resolutions proposed at the meeting.

(9) Please note that communications regarding the matters set out in this Notice will not be accepted in electronic form.