



MILLWALL

**MILLWALL HOLDINGS
PLC**

Registered Number: 2355508

Report and Accounts
for the year ended
30 June 2016

I

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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)

Stephen Kavanagh (Chief Executive)

SECRETARY

Thomas Bernard Simmons

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Registered no. 2355508

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REGISTRARS AND TRANSFER OFFICE

Computershare Investor Services PLC

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Bridgwater Road

Bristol BS99 6ZZ

Strategic Report

Strategic Report

Principal activities

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

Business review

During the 2015/16 season under review the Club operated in League One of the English Football League. In this first season in this division following relegation at the end of the previous season, the Club was unfortunate not to gain promotion back to the Championship, the second tier of English football, at the first attempt after losing in the Play-off final to Barnsley at Wembley Stadium in May, the Club's 4th appearance there in 8 years. The Club finished the season in 4th place with 81 points (20 14/1 5: 22nd with 41 points in the Championship).

This season represented the first full year under the management of Neil Harris. Prior to the start of the season there was a substantial reduction in squad size with a small number of new signings. Despite starting the season tentatively with 4 straight home losses, the team finished strongly, losing only once in the last 11 league games at The Den, and only 5 times in all in the second half of the season, to earn a play-off position to play Bradford City, winning 4-2 on aggregate over 2 legs.

During the season there was a total 31 players (20 14/ 15: 43) used reflecting the reduction of squad numbers to a level appropriate for League One. The average home league attendance was 9,407 (2014/15: 10,902) a decrease of some 13.7% compared to the previous year, reflecting the impact of relegation.

It is very much part of the philosophy of Neil Harris to promote home grown players from the Club's Youth Academy into the first team. Of the 35 current contracted players, some 15 have come through the Club's Youth Academy, The Club continues to invest in its Youth Academy with a Category 2 status in the Elite Player Performance Plan scheme. More about the importance of the Youth Academy is set out under Prospects below.

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 12.

The result for the year shows a substantial reduction in the level of losses incurred, with the loss from operations amounting to {5.8m (2015: {10.3m). As anticipated, the impact of playing in League One has resulted in a significant reduction in revenue, but this was mitigated by action taken to reduce the size and cost of the playing squad and team management which has more than compensated for this reduction. The results also benefit from a full year free of interest on loans (see below) which has been a major cost saving for the Company.

Revenue for the year at {8.3m (2015: L 1 1.2m) is a decrease of 25.7%, the bulk of the reduction being due to the reduction of TV and other central allocations from the Football League by over {3m. Despite the fall of attendances, matchday income fell by only 5.9% and good growth was seen in other commercial activities.

As a result of a smaller squad and savings on team management the total staff costs decreased to {8.0m (2015: {15.2m), a decrease of 47.3% (2015: increase 9.4%). The ratio of total staff costs to revenue now stands at 96% (20 15: 135%).

There was a small reduction in other expenses (excluding depreciation and amortisation) to {5.4m (20 15: {5.5m) Savings arose as the expenditure on pitches and the cost of football agent fees returned to normal levels from the high costs in the previous year. But these savings were offset by increased cost of investment in the Youth Academy.

Finance costs for the year were {1.3m (2015: {1.7m). Chestnut Hill Ventures LLC (CHV), the majority shareholder of the Company and principal provider of funding facilities, along with the Company's other loan note holders, agreed that no interest would accrue in respect of the existing [20.5m loan facilities in the period from 1 January 2015 to 30 June 2017 (when interest will begin to accrue again unless CHV agrees otherwise). Accordingly, the finance cost recognised in the current year represents the effective rate of interest payable over the remaining term of the facility.

The directors do not recommend payment of a dividend.

Directorship changes

On 30 October 20 1 6, Andy Ambler resigned as Chief Executive Officer and as a director of all group companies in order to take up an appointment with The Football Association. Andy had held these roles for almost 10 years and your directors acknowledge his huge contribution to the well running of the Company and the Club over these years and wish him every success in his new role.

On 31 October 20 1 6, Steve Kavanagh was appointed as Chief Executive Officer and as a director of all group companies. Steve has long experience of the football industry having held similar appointments with Charlton Athletic FC for some 12 years and, more recently, with Southend United FC for 4 years. Your directors welcome Steve to the Company and look forward to working with him in the years to come.

Strategic Report

Prospects

Football

For the current year the Club will continue to operate in League One of the Football League. The strategic objectives remain unchanged: to develop a squad of players for the longer term who understand the Millwall philosophy of standards and performance with the aim of gaining promotion to the Championship at the earliest opportunity with a squad that is capable of competing at that higher level.

The manager, Neil Harris, now in his second full season in charge has shaped the squad to give emphasis to the young home grown players emanating from the Youth Academy with 15 in the current squad. These young players are balanced by a number of key senior players who, provide experience and guidance.

The Youth Academy is key to the strategy of the Club and your directors regard this as a vital part of the future success of the Club. Under the direction of Scott Fitzgerald, it now has 134 signed young players from age 9 to 23 under the supervision of 35 full or part time coaches, medical and support staff. Improvements to operations are continuously being made to ensure the Academy meets the strict standards imposed by the Football Association. Investment is currently being made to pitches and supporting facilities. The Academy, in conjunction with Blackheath Rugby Club, has developed these improved facilities at Blackheath's ground to meet all the training and educational requirements. In turn, this will further enhance the opportunities to improve the quality of coaching staff and the recruitment of youth players.

The Club is required to comply with the Salary Cost Management Protocol (the Regulations) of the Football League applicable to League One. In general, these require a club to limit the player salary cost in a season to not more than 60% of revenue. For these purposes, equity investment from owners is included within revenue. During the year under review CHV invested [5.8m in equity by way Of subscription for 5,800,000 B ordinary shares of L I each meaning that the Club was in compliance with the Regulations.

With these Regulations 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 and meet the current Regulations.

It is expected that revenue streams of the Company for the current year will be similar to the previous year. It will, however, be dependant upon the success of the team, as attendances and match day income are affected by the team's performance and the Club's position in the league. Season ticket and Junior Lions membership sales have increased as has spend per attendee so far this season.

Performances in the 2016/17 season started well but were disappointing during September with improvement more recently. The team has gained 21 points in the first 15 games up to 31 October, placing the team in 13th position (2015/16: 10th), 3 points from a play-off position with a game in hand on most Of the clubs above it in the league table. The Club participates in the Checkatrade EFL Trophy competition. This is organised on an initial league basis and the Club has progressed through this to the knockout stage. The Club was eliminatd from the EFL Cup by Nottingham Forest in the 2nd round.

So far this season, the average attendance for the first 7 home league games has been 8,684 (2015/16: 8,958 for first 8 home league games), a small decrease of 3% but, despite this, corporate match day income and retail sales are showing year on year increases.

The size of the current squad continues to be at a lower level than in recent years, so that no major change in cost is anticipated this year. Steps are taken to renew or extend contracts in good time so that the size and make-up of the future squad is well managed.

Other football related income

The Commercial Department continues to introduce innovative plans and schemes to maximise attendances as well as match day income, sponsorship and business partnerships by proactive marketing techniques. The Club anticipates that the improved retail outlet and kiosks with better range and quality Of goods will provide an increased contribution from these sources.

The Den

Other revenues from the utilisation of the stadium on non-match days are expected to continue at a similar level to last year, although there is evidence of an improvement in conferencing activity. During last season The Den hosted the final of the Premier League International Youth Cup as well as ties in two of the earlier rounds.

Strategic Report

The Community

The Club continues to recognise the importance of the relationship with the diverse communities of South London and supports the work of Millwall Community Trust (MCT) in a relationship that is deepening and strengthening year on year. The Club's commitment is reflected by our Commercial Director, Alan Williams acting as a Trustee, whilst our former Chief Executive, Andy Ambler, also continues to do so.

Together the Club and MCT work to help promote community sports, health, education and charitable activities to benefit the residents of Lewisham and Southwark and will focus on other Millwall supporter hot beds in the near future.

The diversity of the population is reflected by the breadth and scope of MCT's work. The trust has increased levels of female engagement to support the delivery and development of football programmes. A Pan Disability football programme is now also being delivered. Sport traineeship courses are now in place that act as a taster for the highly successful MCT Academy.

This year saw the community gym at the Lions Centre refurbished and introduced a café outlet, which in turn improved the look and feel of the Centre. This resulted in increased usage of the sport hall and artificial turf pitch. The development of Walking Sports for Older People has been remarkable at attracting a core group of older people that attend on a regular basis and new participants are still being engaged.

MCT coached troops of the Essex Company Of the Royal Anglia Regiment based in Woolwich leading up to their annual regimental football tournament, which they went on to win. The group were then invited as special guests to The Den, parading their trophy with a lap of honour before a match.

A twelve year old boy from Millwall Premier League Kicks Programme has signed for Millwall Under 12's Academy, which offers a practical example of the Club working together with the MCT to meet the shared common objectives held by each.

The directors were delighted when in May 2016, MCT celebrated over 30 years of working in the local community with a reception hosted by the newly appointed trustee, Lord Ouseley of Peckham Rye, at the House of Lords, which suitably represented the Trust's achievements.

Strategic Report

Communication

The Club regards communication with all supporters, business partners and staff as of central importance. The Fan on the Board provides a crucial link between the Board and supporters. Regular meetings and forums take place with all levels of the Club's supporters and partners.

Finance

The Company continues to be funded by its principal shareholder, Chestnut Hill Ventures LLC ('CHV') and by directors. The fully drawn down existing facility of £20m (CHV Facility) provided by CHV remains in place. Additional funding requirements during the year have been met by CHV and certain directors subscribing for new B ordinary shares of £1 each at par. During the year 5,800,000 B ordinary shares were so issued raising £5.8m of funds for the Company. Since the year end CHV has subscribed for another B ordinary shares raising a further £1.0m as well as providing current account facilities.

The CHV Facility and the £525,000 2013 Unsecured Loan Notes (Loan Notes), held by directors and their associates, were repayable on 1 July 2017. CHV and the Loan Notes holders had agreed that no interest would accrue in respect of the CHV Facility and Loan Notes until 30 June 2016. By an agreement dated 7 June 2016, CHV extended the suspension of interest until 1 July 2017 (when interest will begin to accrue again unless CHV agrees otherwise). The Loan Notes holders have agreed that no interest will accrue on the Loan Notes until the date on which the Company and CHV agree that interest will begin to accrue again in respect of the CHV Facility. The loan term was also extended to 1 July 2018.

Under the accounting standards, the above changes to the loan terms were deemed to constitute a substantial modification of the original facilities. The consequence has been to extinguish the £20.5m loan liability and £1.3m of accrued interest at the date of modification and recognise a new liability of £18.4m, being the fair value of the loan facilities under the modified terms, at that date. The £3.4m gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to equity.

Together with the further arrangements referred to in note I to the financial statements, the equity investment and extended loan facilities from CHV and the directors provides the Company with sufficient working capital to fund the operations of the Company and the costs that may be incurred on the regeneration over the next few years.

The balance sheet of the Company as at 30 June 2016 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 to take place 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 share subscription referred to above.

Strategic Report

Regeneration

Last year your directors reported that the Company was very much in favour of the redevelopment and regeneration of the New Bermondsey Housing Zone, a substantial area surrounding and including The Den. The majority of the project is being carried out by Renewal Group with which, it may be remembered, discussions were held for the inclusion of land belonging to the Company and to the Millwall Community Trust (MCT) within the Renewal scheme; those discussions came to nothing. It may also be remembered that, at one time, the Company had agreed detailed heads of terms with the Lewisham District Council (Council) whereby the Company would be allowed to develop the land surrounding the stadium for its own account, with a portion of any profit going to the Council, the Company's landlord; that deal was unilaterally withdrawn by the Council.

The Company has therefore put forward its own scheme for the development of the land that it and the MCT own. That scheme would create a significant amount of much-needed affordable and private housing, student accommodation, retail and office space and a substantial hotel and conference centre. The proposed plans incorporate a facelift for the stadium itself, a new home for the MCT, affordable work space for some of the Club's neighbouring businesses and, very importantly, allow for the future extension of The Den and ensure the safe operation of the stadium on match days. The original plans were prepared in 2013 but during this last year they have been extensively updated and revised and discussions have been opened with the local planning officers to press the Company's case for being allowed to undertake that part of the development of New Bermondsey that relates to the land around the stadium.

The directors fully endorse and support the Council's stated intention that the Club and its stadium should be at the heart of the thriving and brighter community that can emerge in Lewisham and wish to ensure that the Company plays a full part in making this happen, and benefits accordingly. The Company's scheme provides an opportunity to bring much greater financial stability to the Club by generating the essential non-football revenues which are vital to the long term future of any football club.

Unfortunately, the Council has consistently declined to consider the Millwall proposals and instead took two important decisions back in September 2013. One was to grant Renewal Group an exclusive right to develop and profit from New Bermondsey thereby shutting the Company out of any involvement in the regeneration of the land surrounding The Den. The other was to sell its freehold interests in all that land to Renewal Group without giving the Company any opportunity to buy them, preferring instead to deal secretly with a private property developer which is owned offshore and, by its own admission, has no experience of carrying out developments of this size.

Those decisions materially and adversely affected not only the Club and its community scheme but also the livelihoods and futures of its neighbours and friends. Accordingly, the Company's representatives have challenged the Council's actions and are seeking full disclosure of the circumstances in which the decisions were made and the documents and investigations on which they appear to have been based. The Information Commissioner has backed the Club. The Council and Renewal Group have appealed and there is to be a full hearing later this November.

Furthermore, the Council has long been threatening to use compulsory purchase powers to acquire the land belonging to the Company, the MCT and several of our neighbours, both businesses and individual homeowners. In February this year, the Council tried to obtain the necessary powers but a flurry of adverse publicity and legal challenges organised by the Club saw the decision postponed. The Council tried again in September but this time the Council's own Overview and Scrutiny Committee halted the process. At the time of this report, your directors wait to hear whether or not the process will be resumed. If it is, the Company will vigorously contest it and believes that it has many important arguments and facts to place before any appointed Planning Inspector.

A lot of this unhappy saga has appeared in the media but interested shareholders are referred to a series of articles that appeared in The Guardian. These can be accessed online by visiting the Communication/Announcements page of the Company's website at: <http://www.millwallholdingsplc.co.uk>

The Company will continue to do its very best to persuade the Council of the synergy that exists between a football club and its local authority and that working together is always in the best interests of the community as a whole.

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.

Strategic Report

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 QOm facility from CHV, which does not fall due for repayment until 1 July 2018. Since the year end CHV has also subscribed for L 1.0m of new B ordinary share capital and undertaken to provide the Group with further support, if necessary, for at least the next 12 months. Your directors believe this provides sufficient working capital for the current needs of the Group for the foreseeable future.

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

D Kouvaris Director

15 November 2016

Strategic Report

Directors' Report

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 2016.

Directors

The directors, who served during the year and to the date of this report, 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) (resigned 30 October 2016)
Stephen Kavanagh (Executive) (appointed 31 October 2016)

In accordance with the Articles of Association, Mr James T Berylson and Mr Richard S Press retire by rotation and, being eligible, each offers himself for re-election at the Annual General Meeting. Mr Stephen Kavanagh also retires having been made a director since the last Annual General Meeting and offers himself for re-election.

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

Financial risk management objectives and policies

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. Details of the use of financial instruments by the Company and its subsidiary undertakings are also contained in this note.

Political and charitable donations

During the year, the Group made a contribution to a charity of {70,000 (20 1 5: {79,000). 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.

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 2016 (20 15: Ln1l). The Group's trade creditors at 30 June 2016 represented 57 days purchase (201 5: 55 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' Report

Other disclosures

Disclosure of exposure to financial risks, post balance sheet events and future developments are included in the Strategic Report on pages 4 to 8.

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.

On behalf of the Board

D Kouvaris Director

15 November 2016

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 2016 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, the company statement of changes in equity 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Financial Reporting Council's (FRC'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 FRC'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 2016 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 strategic report and 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 Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor London,
United Kingdom

15 November 2016

Consolidated Statement of Comprehensive Income

for the year ended 30 June 20 1 6

		Year ended 30 June 2016 {000	Year ended 30 June 2015 {000
	Notes	8,324	11,200
Revenue		85	108
Other income — profit on disposal of player's registrations Staff costs	5	(7,992)	(15,156)
Amortisation of players' registrations	8	(600)	(586)
Depreciation Of property, plant and equipment	9	(238)	(393)
Total depreciation and amortisation expense		(838)	(979)
Other expenses		(5,426)	(5,470)
Loss from operations	4	(5,847)	(10,297)
Finance expense	3	(1,255)	(1,710)
Loss before taxation		(7,102)	(12,007)
Tax expense	7	(7,102)	(12,007)
Loss after tax for the financial year and total comprehensive loss		(7,102)	(12,007)

All amounts relate to continuing activities.

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 20 1 6

	Ordinary shares ofE10 each {000 13,905	Deferred shares of 0.09p each [000 2,333	Share premium account {000 15,152	B ordinary shares each [000 12,375	Capital reserve {000 21,474	Retained deficit {000 (73,390)	Total equity {000 (20,526)
I July 2014							
B ordinary shares issued in year				12,375		(73,390)	12,375
Interest waived by CHV (note 16)						8,449	8,449
Loss for the year						(12,007)	(12,007)
30 June 2015	13,905	2,333	15,152	12,375	21,474	(76,948)	(11,709)
I July 2015	13,905	2,333	15,152	12,375	21,474	(76,948)	(11,709)
B ordinary shares issued in year				5,800			5,800
Gain on shareholder loan modification (note 16)		3,364	3,364		(7,102)		
Loss for the year				(7,102)			
30 June 2016	13,905	2,333	15,152	18,175	21,474	(80,686)	(9,647)

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

Consolidated Statement of Financial Position

at 30 June 2016

Company number: 2355508

	Notes	30 June 000	30 June 2016 2015 {000
Non-current assets			
Intangible assets	8	222	597
Property, plant and equipment	9	14,162	14,201
		14,384	14,798
			<hr/>
Current assets			
Inventories	10	187	196
Trade and other receivables	11	1,018	1,094
Cash and cash equivalents		261	618
		1,466	1,908
		<hr/>	
Total assets		15,850	16,706
			<hr/>
Non-current liabilities			
Trade and other payables	12	(844)	(785)
Financial liabilities	13	(18,642)	(20,751)
Deferred income	12	(2,622)	(2,767)
		(22,108)	(24,303)
			<hr/>
Current liabilities			
Trade and other payables	12		(2,441)
Deferred income	12	(1,438)	(1,671)
		(3,389)	(4,112)
			<hr/>
Total liabilities		(25,497)	(28,415)
			<hr/>
Net liabilities		(9,647)	(1,709)
			<hr/>
Equity			

Called up share capital	14,19	34,413	28,613
Share premium	19	15,152	15,152
Capital reserve	19	21,474	21,474
Retained deficit	19	(80,686)	(76,948)
Total equity attributable to the shareholders of the parent (in deficit)		(9,647)	(1,709)

The accounts on pages 12 to 34 were approved by the Board of Directors and authorised for issue on 15 November 20 16.

D Kouvaris
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 20 1 6

	Year ended 30 June 2016 '000	Year ended 30 June 2015 {000
Cash flows from operating activities		
Loss before taxation	(7,102)	(12,007)
Depreciation on property, plant and equipment	238	393
Amortisation of intangible assets	600	586
Amortisation of grants	(82)	(82)
Profit on disposal of players' registrations	(85)	(108)
Finance expense	1,255	1,710
Cash flows from operating activities before changes in working capital	(5,176)	(9,508)
Decrease/(increase) in inventory	9	(52)
Decrease in trade and other receivables	44	83
(Decrease)/increase in trade and other payables and deferred income	(942)	241
Net cash flow from operations	(6,065)	(9,236)
Investing activities		
Purchase of property, plant and equipment	(199)	(307)
Proceeds on disposal of players' registrations	117	404
Purchase Of players' registrations	(360)	(392)
Net cash flow from investing activities	(442)	(295)
Financing activities		
Issue of B ordinary shares	5,800	9,590

Net drawdown under loan note and other facilities	350	
Net cash flow from financing activities	6,150	9,590
Net movement in cash and cash equivalents	(357)	59
Cash and cash equivalents at start of year	618	559
Cash and cash equivalents at end of year	<u>261</u>	<u>618</u>

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

Notes to the Accounts

Accounting policies

for the year ended 30 June 2016

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 2016, the Group had net liabilities of £9.6 million and net current liabilities of £1.9 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 prepared to 30 June 2017, and expected cash flow forecasts for the year thereafter, 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. The repayment date on the existing £10 million loan facility was extended during the year to 1 July 2018. Since the year end CHV has subscribed for a further 1.0 million B ordinary shares of £1 each raising £1.0 million to improve cash resources. CHV has also undertaken to provide the Group with further support, if necessary, for at least the next 12 months.

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, with the continued support of CHV, consider 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

There have been no new standards, interpretations or amendments issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) during the year that have an impact on the financial statements of the Group.

New standards and interpretations (continued)

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 2016. These are

- IFRS 15 — Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018) is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. This has not yet been endorsed for use in the EU.
- IFRS 9 — Financial Instruments (effective for accounting periods beginning on or after 1 January 2018) 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.
- IFRS 16 — Leases (effective for accounting periods beginning on or after 1 January 2019) sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessor and lessee. It eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model that will require lessees to recognise assets and liabilities for all

Notes to the Accounts

Notes to the Accounts

for the year ended 30 June 2016 (continued)

Accounting policies (continued)

material leases with a term of more than 12 months and depreciate lease assets separate from interest on lease liabilities in the income statement. This has not yet been endorsed for use in the EU.

The directors are yet to determine the full impact that the adoption of these standards and interpretations and whether they will have a material impact on the Group's financial statements in the period of initial application, on recognition, measurement, presentation and disclosure.

The IASB has also issued or made amendments to IAS 1, IAS 7, IAS 12, IAS 16, IAS 27, IAS 28, IAS 38, IAS 41, IFRS 2, IFRS 10, IFRS 11, and IFRS 12 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 Properties Limited). Control is achieved where the following three elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. 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 statement of financial position 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 re-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.

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:

Notes to the Accounts

for the year ended 30 June 2016 (continued)

Accounting policies (continued)

Long leasehold premises	— 1% per annum
Fixtures and fittings	— 20% per annum
Pitch renovation	— over the next season
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 reporting date.

for the year ended 30 June 2016 (continued)

(continued)

1 Accounting policies

Deferred taxation

Deferred 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 profit and loss 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

Notes to the Accounts

for the year ended 30 June 2016 (continued)

(continued)

I Accounting policies

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 statement of financial position.

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.

Notes to the Accounts

Notes to the Accounts

for the year ended 30 June 2016 (continued)

(continued)

1 Accounting policies

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 over the estimated life of the original assets concerned. 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 2016 '000	Year ended 30 June 2015 {000
Match Day	4,326	4,598
Central League Awards	1,946	4,682

Notes to the Accounts

for the year ended 30 June 2016 (continued)

(continued)

Commercial	2,052	1,920	—————
	8,324	1 1,200	

Notes to the Accounts

for the year ended 30 June (continued)
20 1 6

3 Finance expense

	Year ended 30 June 2016 {000	Year ended 30 June 2015 {000
Finance expense		
Interest on loan notes (see note 1 6)	1,255	1,710

4

Loss from operations

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

	Year ended 30 June 2016 400	Year ended 30 June 2015 {000
Depreciation and amounts written off property, plant and equipment — owned	238	393
Amortisation of grant	(82)	(82)
Amortisation of player registrations Operating lease rentals	600	586
— land and property	237	237
Auditors' remuneration		
— Audit of company financial statements	5	5
— Audit of financial statements of subsidiaries	31	30
— Taxation services	8	8
— Other services	6	4
Directors' emoluments	134	136
Profit on sale of players' registrations	(85)	(108)

S Staff costs

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

Notes to the Accounts

for the year ended 30 June 2016 (continued)

	Year ended 30 June 2016	Year ended 30 June 2015
	Number	Number
Football team management	15	
Administrative and ground staff	80	74
Players (including Academy)		58
	146	146

In addition, the Group employs, on average, a further 95 (2015: 130) temporary staff on matchdays.

Aggregate remuneration comprised:

	Year ended 30 June 2016	Year ended 30 June 2015
		{000}
Pension costs	65	122
Wages and salaries	7,154	
Social security costs	13,611	
	773	
	1,423	
	7,992	15,156

6 Directors' remuneration

	Year ended 30 June 2016	Year ended 30 June 2015
	{000}	400
Directors' emoluments (including benefits in kind)	134	136
Pension costs	27	27

Notes to the Accounts

for the year ended 30 June (continued)

Total directors' remuneration 161 163

Payments to money purchase pension schemes were made in respect of one director (2015: 1)

20 1 6

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.

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	Year ended 30 June 2016 2015 {000
Loss on ordinary activities before tax	(7,102)	(12,007)
		(2,491)
		88
		1,753
Loss on ordinary activities at the standard rate of corporation tax	-	650
Total tax charge for the year in the UK of 20.00% (2015: 20.75%)	(1,420)	-
Effects of		Deferred tax
Expenses not deductible for tax purposes	323	At 30 June 2016 the Group had estimated
Other taxable receipts		1,097
Losses for which deferred tax assets are not recognised		tax losses carried forward

of {75.5m (20 15: {70.1 m), subject to the agreement of HM Revenue and Customs. After assessing the prospects for the 20 1 7 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 a future UK tax rate of 17% (20 15: 20%) is calculated at {12.8m (201 5: E1 4.0m).

At 30 June 2016 the Group had {9.0m (2015: {9.0m) 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 [1.5m (2015: L1.8m).

Notes to the Accounts

for the year ended 30 June 2016 (continued)

At 30 June 2016 the Group had capital losses carried forward of {4.7m (20 15: {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 {0.8m (20 15: {0.9m).

Notes to the Accounts

Notes to the Accounts

for the year ended 30 June 2016 (continued)

8 Intangible assets

				Players' registrations {000
Cost				
1 July 2014				2,089
Additions	340	Disposals	(890)	
30 June 2015				1,539
Additions	225	Disposals	(229)	30 June 2016 1,535
Amortisation				
1 July 2014				1,197
Charge for the year				586
Disposals				(841)
30 June 2015				942
Charge for the year				600
Disposals	(229)	30 June 2016	1,313	
Net book value				
30 June 2015				597
30 June 2016				222

Included in the net book value of players' registrations is one registration at a net book value at 30 June 2016 of L 132,000 (2015: three at {195,000, E 189,000 and {93,000). The remaining useful life of this registration is one year.

9 Property, plant and equipment

	Long leasehold premises zooo	Fixtures and fittings {000	Pitch renovation {000	Well Hal {000	Motor vehicles {000	Total {000
Cost						
1 July 2014	1 7,629	3,767	102	-	42	21,540
Additions		256	51	-		307
Accumulated depreciation						
July 2014	3,726	3,485			42	7,253
Charge for the year	176	64	153	-		393
June 2015	3,902	3,549	153		42	7,646
Charge for the year	176	62		-		238
30 June 2015	1 7,629	4,023	153		42	21,847
Additions		87		1 12		199

Notes to the Accounts

for the year ended 30 June 2016 (continued)

Notes to the Accounts

30 June 2016	17,629	4 110	153	1 12	42	22,046
30 June 2016	4,078	3,61 ¹	153	-	42	7,884
Net book value						
30 June 2015	13,727		47414,201	-	-	
30 June 2016	13,551		49914,162	112	-	

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

premises are the

costs

I O Inventories

	30 June 2016	30 June 2015
	400	{000
Goods for resale	187	196

Goods for resale include an amount of {166,000 (20 15: {184,000) carried at fair value less costs to sell. The amount of inventories recognised as an expense during the year was {550,000 (20 15: {506,000).

II Trade and other receivables

	30 June 2016	30 June 2015
	{000	{000
Current		
Trade receivables	257	379
Prepayments and accrued income	761	715

II 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 2016 trade receivables of {Nil (20 15: {60,000) 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 2016	30 June 2015	000
			{'000
3 to 6 months			60
			60

¹ 1,018

1,094

Notes to the Accounts

for the year ended 30 June 2016

Notes to the Accounts

1.2 Trade and other payables

	30 June 2016 {000	30 June 2015 {000
Current:		
Trade and other payables	882	895
Taxation and social security	525	625
Amount due to parent company	350	
	94	
Accruals	1,951	2,441
Deferred income	1,438	1,671
	3,389	4,112
Non-current		
Trade and other payables	192	214
Accruals	652	571
	844	785
Deferred income	2,622	2,767
	3,466	3,552

The amount due to the parent company is unsecured, interest free and repayable on demand.

Included within deferred income is:

- an amount of £1,294,000 (2015: £1,537,000) relating to amounts received in advance, in respect of season tickets, executive boxes and sponsorship relating to the following year.
- unamortised grants totalling £2,204,000 (2015: [2,286,000) received in respect of the long leasehold premises and other fixtures and fittings.
- unamortised proceeds of £562,000 (2015: {625,000) 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, with the exception of those described as non-current which are payable in more than one year. The fair values of these non-current payables are not considered to be materially different from their carrying values.

Notes to the Accounts

for the year ended 30 June 2016 (continued)

1.3 Financial liabilities

	30 June 2016	30 June 2015
	'000	{000
Non-current		
Non-convertible loan notes	18,416	20,525
Interest accrued on loan notes	226	226
	<hr/>	<hr/>
	18,642	20,751
	<hr/>	<hr/>

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

The loan notes have a nominal value of {20,525,000 but, following a substantial modification to their terms in June 20 16, were re-recognised at their fair value of L 8,416,000. This discount to nominal value will be charged to profit and loss as a finance cost over the facility term.

.000,000 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.

Further details in respect of the loan note instruments are provided in note 16.

At 30 June 2016 loan note liabilities were due as follows:

	30 June 2016	30 June 2015
	{000	{000
Amount payable		
— after one year but within two years		525
— after two years but within five years	18,416	20,000
		<hr/>

Notes to the Accounts

Notes to the Accounts

for the year ended 30 June 2016 (continued)

18,416 20,525

On 20 November 2015, the repayment date for the £525,000 of unsecured loan note facilities was extended to 1 July 2017. On 7 June 2016 the repayment date for all loan note facilities was further extended to 1 July 2018.

14 Share capital

	30 June 2016	30 June 2015
	Number	Number
Allotted, called up and fully paid		1,390,523
Ordinary shares of 10 each	1,390,523	12,375,000
B ordinary shares of each	18,175,000	
Deferred shares of 0.09p each	2,592,087,167	2,592,087,167
	<u>2,611,652,690</u>	<u>2,605,852,690</u>
	90	
	coco	
Allotted, called up and fully paid		
Ordinary shares of LIO each	13,905	13,905
B ordinary shares of LI each	18,175	12,375
Deferred shares of 0.09p each	2,333	2,333
	<u>34,413</u>	<u>28,613</u>

Notes to the Accounts

for the year ended 30 June 2016 (continued)

B ordinary shares

During the year the Company issued 5,800,000 new B ordinary shares of {1 each, at par, for cash.

The B ordinary shares are non-voting and carry no entitlement to receive any dividends, but rank above the ordinary and deferred shares on a return of assets on liquidation. They are also redeemable at the option of the Company.

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.

Warrants

At 30 June 2016 there were 30,683 (2015: 30,683) share warrants in issue which are exercisable, at any time, at a price of {40 each.

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	30 June
	2016	2015
	'000	{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	7,677	7,914
	<hr/>	<hr/>
	8,961	9,198

Notes to the Accounts

Notes to the Accounts

ended 30 June 2016 (continued)

b) Pensions

The Club participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2014 where the total deficit on the on-going valuation basis was Q 1.8 million. The key assumptions used to calculate the deficit at the 31 August 2014 actuarial valuation are:

Discount Rate	5.4% p.a. for the 1st 7 years, 4.4% p.a. for the following 10 years and 3.4% p.a. thereafter.
RPI inflation:	3.2% p.a.
Pension Increases:	3.0% p.a. for benefits accrued prior to 6 April 1997, and 3.7% p.a. for benefits accrued after 6 April 1997. Mortality (pre-retirement): None
Mortality (post-retirement):	SAPS CMI_2013 2.0%

The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accrual. The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

The results of this actuarial valuation were rolled forward to 30 June 2016 when the Club's notional share of the deficit, calculated using the actuarial valuation assumptions, was £233,000 (2015: £255,000). This resulted in a charge of £19,000 (2015: £94,000) being made to profit and loss in the current year.

The Club currently has 1 employee who is a member of the scheme (2015: 1) and pays total contributions of £41,109 p.a. which increases at 5.0% p.a. Based on the actuarial valuation assumptions detailed above, these contributions will be sufficient to pay off the Club's share of the deficit by 31 August 2022.

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 £67,000 (2015: £75,000). The maximum that could be payable is £Nil (2015: £12,500). 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.

Notes to the Accounts

for the year ended 30 June 2016 (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
- non-convertible loan notes

Categories of Financial Instruments

	30 June 2016 '000	30 June 2015 {000
Classification of financial assets:		
Trade receivables	257	379
Cash and cash equivalents	261	618
Total financial assets classified as loans and receivables at amortised cost	518	997
Classification of financial liabilities:		
Trade and other payables	1,074	1,109
Amount due to parent company	350	
Accruals (including accrued interest on loan notes)	1,072	1,718
Amounts relating to non-convertible loan notes	18,642	20,525
Total financial liabilities measured at amortised cost	21,138	23,352

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)

Notes to the Accounts

for the year ended 30 June 2016 (continued)

Notes to the Accounts

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, no undrawn loan facilities available but, as detailed in note 1, continues to receive financial support from its parent company.

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

Interest bearing financial assets

Financial assets from time to time 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 2016 the Group had no amounts (2015: {Nil}) on deposit.

Non-convertible loan notes

Non-convertible loan notes at 30 June 2016 and 30 June 2015 comprised the following:

- A {525,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2017 to 30 June 2018. This facility was fully drawn down at 30 June 2016 and 2015. It is available to the Company until 1 July 2018 following a term extension in the year.
- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2017 to 30 June 2018. This facility was fully drawn down at 30 June 2016 and 2015. It is available to the Company until 1 July 2018 following a term extension in the year.

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.

The £20,000,000 facility is provided by CHV, the Company's immediate controlling party. During the previous year, CHV agreed to suspend the payment of interest on the facility until 30 June 2016, with effect from 1 January 2015. Interest payable of {1,255,000 has been recognised in the current year to represent the effective interest accruing under the revised terms. CHV also agreed to waive all interest accrued but not paid under this facility, which amounted to {8,449,000. This was accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

During the current year, the other loan note holders also agreed to suspend the payment of interest on their facilities from 1 July 2015 to 30 June 2016 and agreed that no interest will accrue on their loan notes until the date on which the Company and CHV agree that interest will begin to accrue again on the CHV loan notes. On 7 June 2016, CHV extended the suspension of interest on its loan note facility to 30 June 2017 and the term of all loan notes was extended to 1 July 2018. These cumulative changes to the loan terms were deemed to constitute a substantial modification of the original facilities. The consequence has been to extinguish the {20,525,000 loan liability and L 1,255,000 of accrued interest at the date of the 2016 modification and recognise a new liability of {18,416,000, being the fair value of the loan notes under the modified terms at that date. The {3,364,000 gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

Fair values

The fair value of the financial assets and liabilities at 30 June 2016 and 30 June 2015 are not considered to be materially different from their book values, with the exception of the non-convertible loan notes which were deemed to have a fair value of £1,465,000 at 30 June 2015.

Capital disclosures

The Group's key management personnel define capital as the Group's cash holding of {261,000 (2015: {618,000}); loan notes and accrued interest of L 18,642,000 (2015: Q0,751,000); the working capital amount owed to the parent company of {350,000 (2015: {Nil}) and equity share capital and premium of £49,565,000 (2015: £43,765

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

Notes to the Accounts

for the year ended 30 June 2016

Notes to the Accounts

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 CHV, the Company's immediate controlling party. CHV has advanced the following lines of credit to the Company:

- A {20,000,000 non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2016 {20,000,000 (2015: £20,000,000)} of this facility had been drawn down.
- An interest free working capital facility which is repayable on demand. At 30 June 2016 {350,000 (2015: {Nil})} had been drawn down against this facility.

During the year, no interest (2015: £1,627,000) was charged under facilities provided by CHV since, as described in note 16, the charging of interest has been suspended until 30 June 2017. However, an effective interest charge of £1 (2015: £Nil) has been recognised in profit and loss in the year in respect of this facility. As also described in note 16, in the prior period on 26 June 2015 the total accrued interest of {8,449,000} was waived.

During the year ended 30 June 2012, 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. At 30 June 2016, the balance drawn under this facility was {300,000 (2015: {300,000})}. During the year, no interest (2015: {51,000}) accrued under these facilities since, as described in note 16, the charging of interest has been suspended until 30 June 2017. Total accrued interest of {161,000 (2015: £161,000)} remains unpaid at the balance sheet date.

During the year ended 30 June 2013, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), and J Press, spouse of R Press (Non-Executive Director), subscribed for {200,000} of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2016, the balance drawn under this facility was {200,000 (2015: {200,000})}. During the year no interest (2015: {29,000}) accrued under these facilities since, as described in note 16, the charging of interest has been suspended until 30 June 2017. Total accrued interest of {59,000 (2015: {59,000})} remains unpaid at the balance sheet date.

The Group's key management personnel are considered to be the Company's directors. Details of their remuneration are given in note 6.

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 and residual values of property, Plant and equipment

Property, plant and equipment are amortised or depreciated to their residual values 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.

Fair value of loan note facilities

In assessing the fair value of loan note facilities on initial recognition, the directors determine the present value of the liability by discounting the total future cash flows using a market rate of interest.

19 Reserves

Notes to the Accounts

for the year ended 30 June 2016 (continued)

Notes to the Accounts

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 convertible loan note instruments 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 Subsequent events

Since the balance sheet date CHV has subscribed for a further 1.0 million new B ordinary shares of £1 each in the Company at par.

2.1 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 2016

Company number: 2355508

	Notes	30 June 2016 '000	30 June 2015
Fixed assets			
Investments	vi	9,409	16
Current assets			
Debtors		22	22
Cash at bank and in hand		22	22
Creditors: Amounts falling due within one year	viii	(436)	(94)
Net current liabilities		(414)	(72)
Total assets less current liabilities		8,995	9,044
Creditors: Amounts falling due after more than one year	ix	(18,642)	(20,751)
Net liabilities		(9,647)	(11,709)
Capital and reserves			
Called up share capital	x	34,413	28,613
Share premium account		15,152	15,152
Capital reserve		21,416	21,416
Retained deficit		(80,628)	(76,890)
Shareholders' funds (in deficit)		(9,647)	(11,709)

The accounts on pages 35 to 41 were approved by the Board of Directors and authorised for issue on 15 November 2016.

D Kouvaris
Director

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

Company Statement of Changes in Equity

for the year ended 30 June 2016

Ordinary shares of £10	Deferred shares of 0.09p	Share premium	B ordinary shares	Capital	Retained	Total
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	each	each	account	each	reserve	deficit	equity
	{000	{000	{000	{000		{000	{000
1 July 2014	13,905	2,333	15,152		21,416		(20,526)
B ordinary shares issued in year				12,375		(73,332)	12,375
Interest waived by CHV (note ix)						8,449	8,449
Loss for the year						(12,007)	(12,007)
30 June 2015	<u>13,905</u>	<u>2,333</u>	<u>15,152</u>	<u>12,375</u>	<u>21,416</u>	<u>(76,890)</u>	<u>(11,709)</u>
1 July 2015	13,905	2,333	15,152	12,375	21,416	(76,890)	(11,709)
B ordinary shares issued in year				5,800			5,800
Gain on shareholder loan modification (note ix)		3,364	3,364	Loss for the year	(7,102)	(7,102)	
30 June 2016	<u>13,905</u>	<u>2,333</u>	<u>15,152</u>	<u>18,175</u>	<u>21,416</u>	<u>(80,628)</u>	<u>(9,647)</u>

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

Notes to the Accounts

for the year ended 30

(continued)

Notes to the Accounts

June 2016

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 law and United Kingdom Accounting Standards, specifically FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

These financial statements are the first financial statements of the Company prepared under FRS 102. However, there were no changes in accounting policies arising as a result of adopting FRS 102 and therefore there is no difference between the result for the year ended 30 June 2015 and the total equity at 30 June 2015 as reported under FRS 102 and that which was reported under the previous UK GAAP.

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

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

- No cash flow statement has been presented for the Company;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole.

The principal accounting policies are summarised below.

Going concern

At 30 June 2016, the Company had net liabilities of {9.6 million and net current liabilities of {0.4 million.

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 prepared to 30 June 2017 and expected cash flow forecasts for the year thereafter, including the effect of player trading; and
- the continuing provision of facilities to the Company from Chestnut Hill Ventures LLC ("CHV"), a company controlled by the Chairman, John G Berylson. The repayment date on the existing {20 million loan facility was extended to 1 July 2018. Since the year end CHV has subscribed for 1.0 million B ordinary shares of £1 each raising {1.0 million to improve cash resources. CHV has also undertaken to provide the Company with further support, if necessary, for at least the next 12 months.

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, with the continued support of CHV, consider 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.

Financial instruments

The Company has no financial instruments measured at fair value through profit and loss. All financial instruments are initially measured at transaction price and subsequently held at amortised cost (less any impairment, where relevant).

Notes to the Accounts

for the year ended 30 June (continued)
20 1 6

ii Judgements in applying accounting policies and key sources Of estimation uncertainty

In the application of the Company's accounting policies, which are described on the previous page, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the key estimates relate to:

- The determination of the carrying value of the Company's investments in its subsidiary undertakings. The directors have recognised an impairment provision in the year amounting to {5,654,000 which has been determined by reference to the underlying net asset value of each of the subsidiary undertaking.
- The determination of the the fair value of loan note facilities on initial recognition. In assessing this fair value the directors have calculated the present value of the liability by discounting the total future cash flows using a market rate of interest

iii 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 {7, 102,000 (20 1 5: ~~£12,007,000~~) 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.

iv Employees

The average number of employees of the Company during the year, including directors, was 7 (20 15: 7). There were no employment costs borne by the Company in the current or prior year.

v Loss for the year

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

	Year ended 30 June 2016 {000	Year ended 30 June 2015 {000
Auditors' remuneration for the audit of Company financial statements		5
Directors' emoluments — paid by subsidiaries	134	136

vi Investments

Cost	Shares in {000	Loan to subsidiary {000	subsidary undertakings Total {000
1 July 2015	400	83,763	84, 163
Additions		5,947	5,947
Write-offs		(2,918)	(2,918)
30 June 2016	400	86,792	87,192

Notes to the Accounts

for the year ended 30 June 2016 (continued)

Notes to the Accounts

Amounts provided for				
1 July 2015	5,047	75,047	Provided in year	5,654
			Write-offs	(2,918)
			(2,918)	
			30 June 2016	77,783
Net book value				
30 June 2016			400	9,009
30 June 2015			400	8,716

At 30 June 2016, 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.

vii Debtors

	30 June 2016 '000	30 June 2015 000
VAT recoverable	21	21
Prepayments and accrued income	22	22

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

viii Creditors: Amounts falling due within one year

	30 June 2016 '000	30 June 2015 {000
Other creditors		7
Amount due to parent company	350	
Accruals and deferred income	79	87
	436	94

The amount due to the parent company was unsecured, interest free and repayable on demand.

ix Creditors: Amounts falling due after more than one year

	30 June 2016 '000	30 June 2015 {000
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Notes to the Accounts

Notes to the Accounts ended 30 June 2016 (continued)

Non-convertible loan notes	18,416	20,525
Interest accrued on loan notes	226	226
	<u>18,642</u>	<u>20,751</u>

The loan notes have a nominal value of £20,525,000 but, following a substantial modification to their terms in June 2016, were re-recognised at their fair value of £18,416,000. This discount to nominal value will be charged to profit and loss as a finance cost over the facility term.

£18,416,000 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. The remaining £525,000 of loan notes are unsecured.

Non-convertible loan notes at 30 June 2016 and 30 June 2015 comprised the following:

- A £525,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2017 to 30 June 2018. This facility was fully drawn down at 30 June 2016 and 2015. It is available to the Company until 1 July 2018 following a term extension in the year.
- A £20,000,000 facility carrying interest at 12% p.a. calculated daily and consolidated quarterly over the period 1 July 2017 to 30 June 2018. This facility was fully drawn down at 30 June 2016 and 2015. It is available to the Company until 1 July 2018 following a term extension in the year.

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.

The £20,000,000 facility is provided by CHV, the Company's immediate controlling party. During the previous year, CHV agreed to suspend the payment of interest on the facility until 30 June 2016, with effect from 1 January 2015. Interest payable of £1,255,000 has been recognised in the current year to represent the effective interest accruing under the revised terms. CHV also agreed to waive all interest accrued but not paid under this facility, which amounted to £8,449,000. This was accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

During the current year, the other loan note holders also agreed to suspend the payment of interest on their facilities from 1 July 2015 to 30 June 2016 and agreed that no interest will accrue on their loan notes until the date on which the Company and CHV agree that interest will begin to accrue again on the CHV loan notes. On 7 June 2016, CHV extended the suspension of interest on its loan note facility to 30 June 2017 and the term of all loan notes was extended to 1 July 2018. These cumulative changes to the loan terms were deemed to constitute a substantial modification of the original facilities. The consequence has been to extinguish the £20,525,000 loan liability and L1 of accrued interest at the date of the 2016 modification and recognise a new liability of £18,416,000, being the fair value of the loan notes under the modified terms at that date. The £3,364,000 gain has been accounted for as a capital contribution from the Company's shareholders and credited directly to the retained deficit reserve.

At 30 June 2016 loan note liabilities were due as follows:

	30 June 2016	30 June 2015
Amount payable	£000	£000
— after one year but within two years		525
— after two years but within five years	18,416	20,000
	<u>18,416</u>	<u>20,525</u>

Notes to the Accounts

for the year ended 30 June 2016

Notes to the Accounts

Notes to the Accounts

	30 June 2016	30 June 2015
Share capital	Number	Number
Allotted, called up and fully paid		
Ordinary shares of 0 each	1,390,523	1,390,523
B ordinary shares of 1 each	18,175,000	12,375,000
Deferred shares of 0.09p each	2,592,087,167	2,592,087,167
	<u>2,611,652,690</u>	<u>2,605,852,690</u>
	{000	cooo
Allotted, called up and fully paid		
Ordinary shares of 1 each	13,905	13,905
B ordinary shares of 1 each	18,175	12,375
Deferred shares of 0.09p each	2,333	2,333
	34,413	28,613

B ordinary shares

During the year the Company issued 5,800,000 new B ordinary shares of 1 each, at par, for cash.

The B ordinary shares are non-voting and carry no entitlement to receive any dividends, but rank above the ordinary and deferred shares on a return of assets on liquidation. They are also redeemable at the option of the Company.

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.

Warrants

At 30 June 2016 there were 30,683 (2015: 30,683) share warrants in issue which are exercisable, at any time prior to 30 March 2017, at a price of 40 each.

xi Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with wholly owned group undertakings that are consolidated within the Company's consolidated financial statements.

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

A non-convertible loan note facility carrying interest at 12% p.a. calculated daily and consolidated quarterly. At 30 June 2016 (2015: of this facility had been drawn down.

- An interest free working capital facility which is repayable on demand. At 30 June 2016 {350,000 (2015: {Nil) had been drawn down against this facility.

During the year, no interest (2015: {1,627,000) was charged under facilities provided by CHV since, as described in note ix, the charging of interest has been suspended until 30 June 2017. However, an effective interest charge of £1,255,000 (2015: {Nil) has been recognised in profit and loss in the year in respect of this facility. As also disclosed in note ix, in the prior period on 26 June 2015 the total accrued interest of {8,449,000 was waived.

During the year ended 30 June 2012, 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. At 30 June 2016, the balance drawn under this facility was {300,000 (2014: {300,000). During the year, no interest (2015: {51,000) accrued under these facilities since, as described in note ix, the charging of interest has been suspended until 30 June 2017. Total accrued interest of E 161,000 (2015: E 161,000) remains unpaid at the balance sheet date.

During the year ended 30 June 2013, Messrs. C Gonticas (Non-Executive Director), T Keyse (Non-Executive Director), and J Press, spouse of R Press (Non-Executive Director) subscribed for {200,000 of non-convertible loan notes which carry interest at 12% p.a. At 30 June 2016, the balance

Notes to the Accounts

for the year ended 30 June 2016 (continued)

drawn under this facility was {200,000 (20 15: {-200,000}). During the year, no interest (2015: {32,000}) accrued under these facilities since, as described in note ix, the charging of interest has been suspended until 30 June 2017. Total accrued interest of {65,000 (20 15: {65,000}) remains unpaid at the balance sheet date.

xii Subsequent events

Since the balance sheet date CHV has subscribed for a further 1.0 million new B ordinary shares of £1 each in the Company at par.

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 2016 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 9 December 2016 to consider, and if thought fit pass, the resolutions below. Resolutions will be proposed as ordinary resolutions.

1. To receive the audited accounts of the Company for the year ended 30 June 2016 and the reports of the directors and auditors thereon.
2. To re-elect James T Berylson who retires by rotation, as a director.
3. To re-elect Richard S Press who retires by rotation, as a director.
4. To re-elect as a director Stephen Kavanagh, who retires having been made a director since the last Annual General Meeting.
5. 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.

By Order of the Board
T. Simmons Secretary Registered Office:

The Den,
Zampa Road,
London SE16 3LN
15 November 2016

- (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.

Notes

The following explanatory notes should be read in conjunction with the Notice of annual general meeting

Resolutions Explanatory Notes

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS SET OUT IN THE NOTICE

Resolution I - Report and Accounts

The directors will present their report and the audited accounts for the year ended 30 June 2016.

Resolutions 2 and 3 — Re-election of James T Berylson and Richard Press as directors

Under the Company's Articles of Association, James T Berylson and Richard Press retire by rotation, and being eligible offer themselves for re-election.

Resolution 4 — Re-election of Stephen Kavanagh as a director

To re-elect as a director Stephen Kavanagh, who retires having been made a director since the last Annual General Meeting.

Resolution 5 - 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.

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, SE 16 3LN on 9 December 2016 at the close of the annual general meeting of the Company (which is to commence at 11.00 a.m. on 9 December 2016), 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

15 November 2016

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, 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. 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.