Brentford FC Limited

Report of the Directors and Financial Statements

for the year ended 31st May 2006

Contents and Company Information

Directors

G Dyke *(Chairman)*
E B Rogers
J P Herting
J G Bourke
B R Burgess
J C Gosling
D J Heath
I G Jones
R Esteva *(appointed 31st July 2006)*

Secretary

Ms L J Hall

Registered office

Griffin Park
Braemar Road
Brentford
Middlesex TW8 0NT

Registered number

3642327 (England and Wales)

Auditors

Meyer Williams
Chartered Accountants
& Registered Auditors
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Herts SG14 1PB

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Chairman’s Statement

The financial year ended 31st May 2006 was remarkable for both what happened on and off the field.

On the field we spent much of the season in an automatic promotion position and up until the last few games it looked like we were heading for The Championship. Sadly our form faltered towards the end of the season and we ended in third place in the League and then lost at home to Swansea in the play-offs after holding the same side to a creditable draw at their new stadium in South Wales. As a result for the second season running we reached the play offs but didn’t reach the final and didn’t get promoted.

It was a disappointing end to a remarkable season in which we knocked Premier League side Sunderland out of the FA Cup in the fourth round and performed well when losing to Charlton at The Valley in the fifth round. Much of the credit for our successes in 05/06 has to be down to our manager Martin Allen and his coaching team. We were disappointed that soon after the end of the season Martin decided to leave Brentford to join Division Two side MK Dons who offered him a significantly larger playing budget. I suspect Martin could have been persuaded to stay if we could have done the same but the Board took the decision that it would be financially irresponsible to do so. I believe this was the right decision.

Off the field the year was remarkable when, in January 2006, Bees United purchased 60% of Brentford Football Club and became the Club’s largest single shareholder. As a result there were a number of new directors elected to the Board including myself. I also became Chairman replacing Eddie Rogers who has, however, remained on the Board.

When the new Board took over control of the Club on 21st January 2006 we faced a difficult financial position in which we might have needed to use standby facilities made available to us to see us through the following twelve months. Our financial difficulties were eased as a result of the FA Cup run and by the sale of D J Campbell to Birmingham, whereby we ended the season with £354,000 in the bank. During the summer three further players went to higher league clubs – Jay Tabb to Coventry, Sam Sodje to Reading and Michael Turner to Hull. In all the profits from transfer income since the new Board took control have exceeded £1.3 million of which £700,000 is due to be received in the year ended 31st May 2007

The transfer income received for D J Campbell and the other three players will ensure that Brentford Football Club can survive in 06/07. So far we have not been forced to cut the playing budget which meant that for the 06/07 season we budgeted for a cash flow deficit of £600,000 before any cup runs or transfers. This also assumed we would maintain the historically high attendance levels experienced over the past couple of years. Given our poor playing form and the drops in attendances right across football this now looks to have been too optimistic.

The income from transfers and the FA Cup run has also allowed the Board to approve a range of improvements around Griffin Park, the most obvious being the roof over the Ealing Road end of the ground where work started in early November.

The financial results for the 05/06 financial year do not make pretty reading. We recorded our biggest financial loss since 2002, a total of £517,336 compared with a loss of £75,067 the previous year. This was despite profits from transfers of £605,000 and a good FA Cup run. Our television income was down, year on year, as was our share of gate income from the Cup run with far less replays involved this year than in the previous season.

Chairman's Statement

continued

One significant success off the field came when the Brentford FC Football Community Sports Trust won the Football League Community Club of the Year Award for 2005/2006 which reflected the enormous amount of work done by Lee Doyle and his team.

During the year Andrew Finch resigned as Chief Executive Officer but in September we were pleased to replace him with the appointment of Keith Dickens as Managing Director. Keith has had long experience in senior positions at Proctor and Gamble and has set about the task of 'modernising' the Club's operations and increasing our commercial revenue with great skill and enthusiasm.

In the summer we appointed Leroy Rosenior as our new manager but he left in mid November after a disastrous run of games in which we had only one win in our last 16 league matches. Our youth team coach Scott Fitzgerald is temporarily in charge of the first team at the time of writing and we are looking for a new manager.

Looking forward we are making real progress with our plans to move to a new stadium at Lionel Road. Many of us believe this is the only way we can get out of our current position whereby we have to regularly sell our best players to survive. Reading are doing well in the Premier League with a team half made up of former Brentford players! Assuming we can move to the new stadium, I do believe it gives us a real chance of being a Championship club in the future. By paying off significant amounts of our debt – if not all of it – and by increasing our gates by offering our fans far better facilities, moving to a new stadium could transform our Club. The problem we face, financially, is getting from here to there but if we can achieve the move we can all look forward to an exciting future.

Greg Dyke
Chairman

30th November 2006

Report of the Directors

for the year ended 31st May 2006

The directors present their report with the financial statements of the Company for the year ended 31st May 2006.

Principal activity

The principal activity of the Company in the year under review was that of a professional Football League club.

Review of business

The results for the year and financial position of the Company are as shown in the annexed financial statements.

The Company's loss for the year after taxation amounted to £517,336 (2005 – loss of £75,067).

Average attendances for the season grew to 6,775 (2005 – 6,082) and the Club again reached the 5th round of the FA Cup and play-off semi-finals.

Turnover, however, fell by £456,000 in the year due to lower income from cup competitions, the Football League, groundshare and commercial income.

Total staff costs grew by £367,000 in the year principally in playing squad costs.

In common with other professional clubs competing in the league the principal risks facing the business arise from variable attendances that are closely correlated with playing success.

At the year end, the Club had a cash balance of £354,694.

Borrowing facilities not utilised at the year end amounted to £1,000,000 (comprised of an overdraft facility of £500,000 and a standby credit facility of £500,000).

Dividends

No dividends will be distributed for the year ended 31st May 2006.

Fixed assets

Movements in fixed assets are shown in notes 7 and 8 to the financial statements.

Directors

The directors during the year under review were:

E B Rogers	
J P Herting	
J G Bourke	*(appointed 14th September 2005)*
G Dyke	*(appointed 20th January 2006)*
B R Burgess	*(appointed 20th January 2006)*
P O B Emanuelsson	*(appointed 20th January 2006, resigned 31st July 2006)*
D J Heath	*(appointed 20th January 2006)*
I G Jones	*(appointed 20th January 2006)*
J C Gosling	*(appointed 25th February 2006)*
S G Callen	*(resigned 20th January 2006)*
J McGlashan	*(resigned 14th September 2005)*
A Wainwright	*(resigned 27th October 2005)*
G N Hall	*(resigned 19th December 2005)*
D C White	*(resigned 19th December 2005)*

Report of the Directors

continued

Directors continued
At 20th January 2006 and 31st May 2006 D J Heath had a beneficial interest in five shares in the Company. None of the other directors holding office at 31st May 2006 held any beneficial interest in the issued share capital of the Company at 1st June 2005 (or date of appointment if later) or 31st May 2006.

At 31st May 2006, E B Rogers, J P Herting, J G Bourke, G Dyke, B R Burgess, I G Jones, D J Heath and J C Gosling were members of Brentford Football Community Society Limited (Bees United), the Industrial and Provident Society which is the ultimate parent company.

Charitable donations

During the year the Company made charitable donations of £140 (2005 – £nil).

Financial instruments

Treasury operations and financial instruments

The Company operates a treasury function that is responsible for managing the liquidity, interest, and foreign exchange risks associated with the Company's activities.

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability (or equity instrument) in another entity. The Company's principal financial instruments include bank overdrafts and loans, used to raise finance for the Company's operations, and various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Financial instruments which the Company enters into are principally contracts where a specified amount will be settled at a later date to manage the risks arising from the Company's operations. In accordance with the Company's treasury policy financial instruments are not entered into for speculative purposes.

Liquidity risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The Company is exposed to cash flow interest rate risk on bank overdrafts and loans. The Company policy permits but does not demand that a mix of fixed and variable rate debt is used to reduce exposure to changes in interest rates.

Credit risk

The Company places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtor's financial condition. The carrying amount of cash and debtors represent the maximum credit risk that the Company is exposed to.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Report of the Directors

continued

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Meyer Williams, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board

J G Bourke
Director

30th November 2006

Report of the Independent Auditors

to the shareholders of Brentford FC Limited

We have audited the financial statements of Brentford FC Limited for the year ended 31st May 2006 on pages 8 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described on page 6 the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st May 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

Without qualifying our opinion we draw attention to note 1 to the financial statements and its disclosures regarding the Company's going concern status. The Company's projections make certain assumptions relating to its ongoing footballing performance. These constitute a material uncertainty which could potentially result in additional funding being required to support the Company's activities.

Meyer Williams
Chartered Accountants
& Registered Auditors

Hertford

4th December 2006

Profit and Loss Account

for the year ended 31st May 2006

	Note	2006 £	2005 £
Turnover		3,137,014	3,593,081
Cost of sales		3,196,480	2,713,759
Gross (loss)/profit		(59,466)	879,322
Administrative expenses		828,609	704,219
Operating (loss)/profit	3	(888,075)	175,103
Profit on sale of intangible fixed assets	4	605,000	40,000
		(283,075)	215,103
Interest payable and similar charges	5	234,261	290,170
Loss on ordinary activities before taxation		(517,336)	(75,067)
Tax on loss on ordinary activities	6	–	–
Loss for the financial year after taxation		(517,336)	(75,067)

Continuing operations

None of the Company's activities were acquired or discontinued during the current year or previous year.

Statement of Total Recognised Gains and Losses

for the year ended 31st May 2006

	2006 £	2005 £
Loss for the financial year	(517,336)	(75,067)
Expenditure charged to the revaluation reserve	(75,083)	–
Unrealised surplus on the valuation of freehold property	–	2,775,285
Total recognised gains and losses relating to the year	(592,419)	2,700,218

The notes form part of these financial statements.

Balance Sheet

at 31st May 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Intangible assets	7		14,000		55,639
Tangible assets	8		10,355,989		10,185,150
			10,369,989		10,240,789
Current assets					
Stocks	9	42,875		42,467	
Debtors	10	407,473		406,407	
Cash in hand		354,694		6,321	
		805,042		455,195	
Creditors: amounts falling due within one year	11	1,892,042		6,444,540	
Net current liabilities			(1,087,000)		(5,989,345)
Total assets less current liabilities			9,282,989		4,251,444
Creditors: amounts falling due after more than one year	12		7,253,964		1,630,000
Net assets			2,029,025		2,621,444
Capital and reserves					
Called-up share capital	14		2,000		2,000
Revaluation reserve	15		7,827,444		7,902,527
Profit and loss account	15		(5,800,419)		(5,283,083)
Shareholders' funds	21		2,029,025		2,621,444

The financial statements were approved by the Board of Directors on 30th November 2006 and were signed on its behalf by:

G Dyke
Director

J G Bourke
Director

The notes form part of these financial statements.

Cash Flow Statement

for the year ended 31st May 2006

	Note	2006 £	2006 £	2005 £	2005 £
Net cash (outflow)/inflow from operating activities	1		(316,672)		723,670
Returns on investments and servicing of finance	2		(234,261)		(290,170)
Capital expenditure	2		175,616		(358,332)
			(375,317)		75,168
Financing	2		4,921,877		87,420
Increase in cash in the period			4,546,560		162,588

Reconciliation of net cash flow to movement in net debt

	Note	2006 £	2006 £	2005 £	2005 £
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		4,546,560		162,588	
Cash inflow from increase in debt		(4,921,877)		(87,420)	
Change in net debt resulting from cash flows			(375,317)		75,168
Movement in net debt in the period			(375,317)		75,168
Net debt at 1st June			(6,563,331)		(6,638,499)
Net debt at 31st May			(6,938,648)		(6,563,331)

The notes form part of these financial statements.

Notes to the Cash Flow Statement

for the year ended 31st May 2006

1 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2006 £	2005 £
Operating (loss)/profit	(888,075)	175,103
Amortisation of intangible assets	101,639	16,486
Profit on sale of tangible fixed assets	–	(3,500)
Depreciation charges	123,462	32,649
(Increase)/Decrease in stocks	(408)	6,405
Increase in debtors	(1,066)	(39,496)
Increase in creditors	347,776	536,022
Net cash inflow from operating activities	(316,672)	723,670

2 Analysis of cash flows for headings netted in the cash flow statement

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest paid	(234,261)	(290,170)
Net cash outflow for returns on investments and servicing of finance	(234,261)	(290,170)
Capital expenditure		
Purchase of intangible fixed assets	(70,000)	(62,500)
Purchase of tangible fixed assets	(294,301)	(339,332)
Expenditure charged to the revaluation reserve	(75,083)	–
Receipts from sale of intangible fixed assets	615,000	40,000
Receipts from sale of tangible fixed assets	–	3,500
Net cash inflow/(outflow) for capital expenditure	175,616	(358,332)
Financing		
New loans received in the year	5,016,000	87,420
Loan repayments in the year	(94,123)	–
Net cash inflow from financing	4,921,877	87,420

3 Analysis of changes in net debt

	At 1st June 2005 £	Cash flow £	At 31st May 2006 £
Net cash:			
Cash at bank and in hand	6,321	348,373	354,694
Bank overdraft	(4,198,187)	4,198,187	–
	(4,191,866)	4,546,560	354,694
Debt:			
Debts falling due within one year	(741,465)	405,587	(335,878)
Debts falling due after one year	(1,630,000)	(5,327,464)	(6,957,464)
	(2,371,465)	(4,921,877)	(7,293,342)
Total	(6,563,331)	(375,317)	(6,938,648)
Analysed in Balance Sheet			
Cash at bank and in hand	6,321		354,694
Bank overdraft	(4,198,187)		–
Debts falling due within one year	(741,465)		(335,878)
Debts falling due after one year	(1,630,000)		(6,957,464)
	(6,563,331)		(6,938,648)

Notes to the Financial Statements

for the year ended 31st May 2006

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and have been consistently applied within the same accounts.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention, as modified by the revaluation of certain assets, and on a going concern basis.

The Company's projections indicate that adequate cash resources and facilities will be available to cover its requirements for working capital and capital expenditure for the twelve months following the date of approval of the financial statements by the Board of Directors.

The effect of events to the year ended 31st May 2006 which occurred before the date of approval of the financial statements by the Board of Directors has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31st May 2006 and of the results for the year ended on that date.

Turnover

Turnover represents gate receipts and related income, amounts receivable from the Football League and Football Association and sponsorship and promotional income, all exclusive of Value Added Tax. The turnover and results before taxation are wholly attributable to the Company's principal activity as a professional football club.

Intangible fixed assets – player contracts

The transfer costs of obtaining the services of a player are capitalised and amortised on a straight line basis over the period of the related contract. Upon sale, the difference between the transfer fee receivable and the net book value of the related player's contract is taken to the profit and loss account. Where, as a result of injury or other circumstances, the value of a player's contract has suffered a permanent diminution, the carrying value in the accounts is reduced to the directors' estimate of its market value.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write-off the cost, less estimated residual value, of each asset evenly over its useful expected life as follows:

Plant and machinery	–	20% on cost
Fixtures and fittings	–	20% on cost
Computer equipment	–	25% on cost
Motor vehicles	–	20% on cost

The Company's freehold land and buildings at Griffin Park were valued by an independent firm of chartered surveyors on 1st September 2005 using an open market basis.

The Company's freehold land and buildings are maintained in such condition that its residual value is not diminished by the passage of time. Expenditure to maintain the property is charged to the profit and loss account as it is incurred and no provision is made for depreciation of the Company's freehold buildings.

This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their estimated useful lives and is necessary to enable the financial statements to give a true and fair view. The amount of depreciation and amortisation that might otherwise be provided cannot be separately identified or quantified. Provision will be made against the freehold land and buildings in the event of any impairment or other permanent diminution in its value.

Expenditure which enhances the property but does not increase its market value is charged to the revaluation reserve.

Notes to the Financial Statements

continued

1 Accounting policies continued

Impairment

Impairment reviews have been carried out on all of the Company's fixed assets comparing the carrying value to their recoverable amounts. Where necessary, provisions have been made to reduce the value of fixed assets to their recoverable amounts.

Stocks

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

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date in accordance with Financial Reporting Standard 19.

Pension costs

The Company operates a defined contributions pension scheme for the benefit of its employees. The assets of the scheme are held in an independently administered fund. The pension costs charge represents contributions payable by the Company to the fund and also makes contributions to the personal pensions of certain directors. There were no amounts outstanding at the year end.

Grants received

Grants received from the Football Trust are taken to the profit and loss account when received. Other grants receivable in respect of operating costs of the Company are dealt with in the profit and loss account in the period in which the relevant expenditure is incurred.

2 Staff costs

	2006 £	2005 £
Wages and salaries	2,326,854	2,030,085
Social security costs	237,751	171,434
Pension costs	10,334	6,275
	2,574,939	2,207,794

Staff costs are attributable as follows:

	2006 £	2005 £
Administration and commercial staff	406,229	383,389
Playing, training and ground staff	2,168,710	1,824,405
	2,574,939	2,207,794

Of the playing, training and ground staff remuneration, £408,880 relates to performance related bonuses (2005 – £359,520).

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

	Number	Number
Administration and commercial staff	17	17
Playing, training and ground staff	47	49
	64	66

The Company also employs a significant number of staff on match days.

Notes to the Financial Statements

continued

3 Operating (loss)/profit

The operating loss (2005 – operating profit) is stated after charging/(crediting):

	2006 £	2005 £
Depreciation	123,462	32,649
Players contracts amortisation	101,639	16,486
Profit on sale of tangible fixed assets	–	(3,500)
Auditors' remuneration	25,000	12,000
Other operating lease rentals – land and buildings	25,000	–
Directors' emoluments	31,000	43,000

Directors emoluments includes £14,000 (2005 – £nil), in respect of compensation for loss of office.

	2006 £	2005 £
Directors pension contributions	7,500	5,000

The number of directors to whom retirement benefits were accruing was as follows:	Number	Number
Money purchase scheme	1	1

4 Exceptional items

	2006 £	2005 £
Profit on sale of intangible fixed assets	605,000	40,000

Profits arising on the transfer of player contracts are part of the Company's ordinary activities but their timing and amount are considered to be exceptional in nature.

5 Interest payable and similar charges

	2006 £	2005 £
Bank interest	225,511	290,170
Other loan interest	8,750	–
	234,261	290,170

Notes to the Financial Statements

continued

6 Taxation

Analysis of the tax charge

No liability to UK Corporation Tax arose on ordinary activities for the year ended 31st May 2006 nor for the year ended 31st May 2005.

Factors affecting the tax charge

The tax assessed for the year is different from the charge expected from applying the standard rate of UK Corporation Tax to the Company's loss on ordinary activities before tax. The difference between the expected and actual tax charge is explained below:

	2006 £	2005 £
Loss on ordinary activities before tax	(517,336)	(75,067)
Loss on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 30% (2005 – 30%)	(155,201)	(22,520)
Effects of:		
Capital allowances in excess of depreciation	(6,814)	(22,947)
Non-taxable grant income	(39,537)	(38,813)
Group relief surrendered	–	6,812
Increase in trading losses carried forward	201,552	77,468
Current tax charge	–	–

The Company has unrelieved losses at 31st May 2006 of approximately £4,682,304 (£4,010,465 at 31st May 2005) which are available to be carried forward and offset against future trading profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of the availability of future trading profits.

7 Intangible fixed assets

	Players contracts £
Cost:	
At 1st June 2005	150,000
Additions	70,000
Disposals	(20,000)
At 31st May 2006	200,000
Amortisation:	
At 1st June 2005	94,361
Amortisation for year	101,639
Eliminated on disposal	(10,000)
At 31st May 2006	186,000
Net book value:	
At 31st May 2006	14,000
At 31st May 2005	55,639

Notes to the Financial Statements

continued

8 Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:					
At 1st June 2005	10,000,000	194,495	222,697	–	10,417,192
Additions	–	76,660	211,441	6,200	294,301
At 31st May 2006	10,000,000	271,155	434,138	6,200	10,711,493
Depreciation:					
At 1st June 2005	–	115,389	116,653	–	232,042
Charge for year	–	35,599	86,623	1,240	123,462
At 31st May 2006	–	150,988	203,276	1,240	355,504
Net book value:					
At 31st May 2006	10,000,000	120,167	230,862	4,960	10,355,989
At 31st May 2005	10,000,000	79,106	106,044	–	10,185,150

Cost or valuation at 31st May 2006 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Valuation in 2002	5,127,242	–	–	–	5,127,242
Valuation in 2005	2,829,095	(62,745)	–	–	2,766,350
Cost	2,043,663	333,900	434,138	6,200	2,817,901
	10,000,000	271,155	434,138	6,200	10,711,493

The Company's freehold land and buildings were valued by Vail Williams, an independent firm of chartered surveyors, on 1st September 2005 using an open market basis and reflecting the grant of conditional planning approval for the redevelopment of Griffin Park.

9 Stocks

	2006 £	2005 £
Merchandise	38,510	42,467
Bar stocks	4,365	–
	42,875	42,467

Notes to the Financial Statements

continued

10 Debtors: amounts falling due within one year

	2006 £	2005 £
Trade debtors	230,497	153,066
Other debtors	7,487	103,240
Prepayments and accrued income	169,489	150,101
	407,473	406,407

11 Creditors: amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts (see note 13)	–	4,198,187
Directors loans (see note 13)	–	350,000
Amounts owed to former parent undertaking (see note 13)	–	250,000
Amounts owed to fellow subsidiary undertakings (see note 13)	–	34,045
Other loans (see note 13)	335,878	107,420
Trade creditors	459,744	371,373
Social security and other taxes	212,846	248,847
Other creditors	4,386	–
Deferred income	562,020	486,145
Accrued expenses	303,918	398,523
Payments on account for long-term contracts	13,250	–
	1,892,042	6,444,540

12 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Bank loans (see note 13)	2,016,000	–
Directors loans (see note 13)	350,000	–
Other loans (see note 13)	1,924,082	330,000
Amounts owed to parent undertaking (see note 13)	1,338,750	–
Amounts owed to fellow subsidiary undertaking (see note 13)	1,328,632	1,300,000
Trade creditors	45,000	–
Payments on account for long-term contracts	26,500	–
Accruals and deferred income	225,000	–
	7,253,964	1,630,000

Notes to the Financial Statements

continued

13 Loans

An analysis of the maturity of loans is given below:

	2006 £	2005 £
Amounts falling due within one year or on demand:		
Bank overdrafts (secured)	–	4,198,187
Directors loans (secured)	–	350,000
Amounts owed to former parent undertaking (secured)	–	250,000
Amounts owed to fellow subsidiary undertaking	–	34,045
Other loans (secured)	325,918	–
Other loans	9,960	107,420
	335,878	4,939,652
Amounts falling due between one and two years:		
Amounts owed to fellow subsidiary undertaking (secured)	–	1,300,000
Amounts falling due between two and five years:		
Bank loan (secured)	354,287	–
Amounts owed to parent undertaking (secured)	1,000,000	–
Other loans (secured)	1,924,082	80,000
Other loans	–	250,000
Directors loans (secured)	350,000	–
	3,628,369	330,000
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan (secured)	1,661,713	–
Not repayable by instalments		
Amounts owed to parent undertaking (secured)	80,000	–
Amounts owed to fellow subsidiary undertaking (secured)	1,300,000	–
Amounts owed to parent undertaking	258,750	–
Amounts owed to fellow subsidiary undertaking	28,632	–
	3,329,095	–
Total debt	7,293,342	6,569,652

The bank loan and overdraft facility of £500,000 are secured by a first legal charge over the Company's freehold property and guarantees provided by Altonwood Limited, Griffin Park Stadium Limited and Brentford Football Community Society Limited. The bank loan was advanced on a 15 year term and interest is payable on the loan at 2.562% over the bank's base rate. The bank loan is repayable over 12 years commencing April 2009.

Group loans repayable after more than five years are interest free and repayment has been deferred for an unspecified term.

Other secured loans are secured by legal charges over the Company's freehold property and in some cases guarantees from the parent company and its group undertakings.

Notes to the Financial Statements

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14 Called-up share capital

Authorised, allotted, issued and fully paid:

Number	Class	Nominal value	2006 £	2005 £
200,000	Ordinary	1p	2,000	2,000
1	Special	1p	–	–
			2,000	2,000

The special share ranks *parri passu* with the ordinary shares, with the additional right of the owner to receive notice from the Company of any proposed sale of the freehold property at Griffin Park. Within fourteen days of receiving such notice, the holder has the right to veto the sale.

15 Reserves

	Profit and loss account £	Revaluation reserve £	Total £
At 1st June 2005	(5,283,083)	7,902,527	2,619,444
Deficit for the year	(517,336)	–	(517,336)
Expenditure charged in the year	–	(75,083)	(75,083)
At 31st May 2006	(5,800,419)	7,827,444	2,027,025

16 Deferred taxation

The following deferred liabilities/(assets) arising from the following timing differences have not been recognised for in the financial statements:

	2006 £	2005 £
Revaluation of freehold property	2,287,793	2,330,203
Trading losses carried forward	(1,404,691)	(1,203,140)
Excess of depreciation over capital allowances	(24,760)	(31,574)
	858,342	1,095,489

The deferred tax liability of £2,287,793, relating to the unrealised gain on the revaluation of the freehold stadium, is the maximum amount payable if the property were to be sold at the valuation of £10,000,000 and assuming that no rollover relief was available. In accordance with Financial Reporting Standard 19, no deferred taxation is provided in respect of revalued fixed assets.

Deferred tax assets in respect of trading losses carried forward and the excess of depreciation over capital allowances have not been recognised as their recovery is dependent on future taxable profits arising which at this stage cannot be anticipated.

Notes to the Financial Statements

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17 Ultimate parent company

Up to 21st January 2006, the ultimate parent company was Altonwood Holdings Limited, a company incorporated in England and Wales.

Since that date, the ultimate parent company has been Brentford Football Community Society Limited, an Industrial and Provident Society registered with the Financial Services Authority in England.

18 Ultimate controllng party

Up to 21st January 2006, the Company was controlled by Altonwood Limited, the immediate parent undertaking and R G Noades was the ultimate controlling party by virtue of his controlling interest in Altonwood Holdings Limited.

Since that date, Brentford Football Community Society Limited has controlled the Company as the new parent undertaking.

No single party has had ultimate control of the Company since 21st January 2006.

19 Operating lease commitments

At the year end the Company had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings	
	2006	**2005**
	£	**£**
Operating leases which expire:		
Between two and five years	25,000	25,000

20 Related party disclosures

On 25th June 2001 the Company acquired the freehold land and buildings at Griffin Park from Griffin Park Stadium Limited, a fellow subsidiary at the time, for a sum of £1,800,000.

A director's loan of £250,000 from J P Herting and a loan of £250,000 from Altonwood Limited, were assigned from Griffin Park Stadium Limited to the Company as part consideration of the £1,800,000. Both loans are secured by legal charges over the Company's freehold property.

Payment of the balance of £1,300,000 due to Griffin Park Stadium Limited was deferred for five years, subject to certain conditions, and was left as an interest free loan secured by a legal charge over the Company's freehold property. An additional unsecured balance of £28,632 (2005 – £34,045) is owed to Griffin Park Stadium Limited.

Brentford Football Community Society Limited acquired the majority shareholding in the Company and Griffin Park Stadium Limited from Altonwood Limited on 21st January 2006. As a consequence of this transaction, settlement of the intra-group loan due from the Company to Griffin Park Stadium Limited has been deferred for an unspecified term and J P Herting has extended the term of his loan to the Company for a period of five years.

The former parent company Altonwood Limited, has made loans totalling £1,250,000 to the Company at the year end (2005 – £250,000), which are secured by legal charges over the Company's freehold property.

E B Rogers has made an interest free loan of £100,000 to the Company that is secured by a legal charge over the Company's freehold property. The loan term was extended for a period of five years on 21st January 2006.

Notes to the Financial Statements

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20 Related party disclosures continued

Brentford Football Community Society Limited (Bees United) is an Industrial and Provident Society composed of approximately 1,577 members who each hold one member share in the society. Former and current directors that were members of the society during the year include J G Bourke, S G Callen, G N Hall, J P Herting, J McGlashan, E B Rogers, A J Wainwright, D C White, G Dyke, B R Burgess, J C Gosling, D J Heath and I G Jones.

Bees United has made loans totalling £1,338,750 to the Company at the year end (2005 – £417,500), of which £1,080,000 (2005 – £80,000) is secured by legal charges over the Company's freehold property.

Midas Way Limited is represented on the Board of Directors and has made a loan of £500,000 to the Company which is secured by a legal charge over the Company's freehold property. Midas Way Limited has also furnished a standby line of credit of a further £500,000 which has not been utilised at 31st May 2006.

All transactions with related parties are undertaken on normal commercial terms and no interest has been charged on loan or current account balances in the current or previous year.

21 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Loss for the financial year	(517,336)	(75,067)
Other recognised gains and losses relating to the year (net)	(75,083)	2,775,285
Net (reduction)/addition to shareholders' funds	(592,419)	2,700,218
Opening shareholders' funds	2,621,444	(78,774)
Closing shareholders' funds	2,029,025	2,621,444
Equity interests	2,029,025	2,621,444

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Brentford FC Limited will be held at Griffin Park, Braemar Road, Brentford, Middlesex TW8 0NT on Tuesday, 30th January 2007 at 7.50pm for the following purpose:

Ordinary resolutions

1. To receive the Report of the Directors and accounts for the year ended 31st May 2006.

2. To re-elect Eddie Rogers, who retires by rotation, as a director of the Company.

3. To elect as a director of the Company Jon Gosling, who was appointed on 25th February 2006.

4. To elect as a director of the Company Rob Esteva, who was appointed on 31st July 2006.

5. To re-appoint Meyer Williams as auditors and to authorise the directors to fix their remuneration.

By Order of the Board

L J Hall
Secretary

Registered office
Griffin Park
Braemar Road
Brentford
Middlesex TW8 0NT

15th December 2006

Notes

1. A member entitled to attend and vote may appoint a proxy to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company.

2. To be effective, a Form of Proxy must be completed, signed and lodged with Capita Registrars, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR, not later than 48 hours before the time of the meeting.

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Brentford FC Limited will be held at Griffin Park, Braemar Road, Brentford, Middlesex TW8 0NT on Tuesday, 30th January 2007 at 8.00pm (or at such later time as the Annual General Meeting of the Company convened for 7.50pm on the same day shall be concluded or adjourned) for the purpose of passing the following special resolutions as indicated below.

Special resolutions

1. That all or any contraventions of regulation 77(B) of the Company's Articles of Association prior to the date of this resolution caused by the entering into of the Finance Documents as defined in and approved by special resolutions dated 20th December 2005 be hereby ratified.

2. That the release by the Company of all or any liability incurred by the directors in contravention of any act described in resolution 1 above (such release to be effective upon the passing of this resolution) be hereby approved.

3. That regulation 77(B) of the Company's Articles of Association be altered by replacing the figure of £6,000,000 with a figure of £9,000,000.

By Order of the Board

L J Hall
Secretary

Registered office
Griffin Park
Braemar Road
Brentford
Middlesex TW8 0NT

15th December 2006

Notes

1. A member entitled to attend and vote may appoint a proxy to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company.
2. To be effective, a Form of Proxy must be completed, signed and lodged with Capita Registrars, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR, not later than 48 hours before the time of the meeting.

Avocette Limited, London