Registration Number 29244 R

Brentford Football Community Society Limited

Accounts for the year to 31 May 2004

Brentford Football Community Society Ltd

Contents

	Page
Officers and Advisers	1
Chaiman's statement	2
Independent Auditors' Report	4
Board Members Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

Brentford Football Community Society Ltd

Officers and Advisers

Chairman : Brian Burgess

Chief Executive : John McGlashan

Secretary : Bruce Powell

Finance Director : Stephen Callen

Legal Officer : Andrew Wainwright

Other Board members :
John Anderson
Joe Bourke
Matt Dolman
Alan Fowler
John Huggins
Pete Johnston
Brian Sawyer
Peter Smith
Paul Stedman

Registered Office : Griffin Park
Braemar Road
Brentford
Middx TW9 0NT

Registration No.: 29244 R

Auditors: Alvis & Company (Accountants) Limited
Milton House
33a Milton Road
Hampton
Middlesex
TW12 2LL

Bankers : The Co-Operative Bank
Kings Valley
Yew Street
Stockport
Cheshire
SK4 2JU

Brentford Football Community Society Ltd

Chairman's Statement

The year to 31 May 2004 covered the first full football season in which Bees United, the Supporters Trust, had three nominated directors on the board of Brentford FC Ltd, of which two, John McGlashan and Stephen Callen, were executive directors of the Club.

Guiding the Football Club

This meant that the priorities for the year focused on ensuring the Club could survive the season, undertaking 'on the job' due diligence in preparation for a potential acquisition of a majority shareholding and laying the foundations for a more stable future.

With a combination of prudent financial management, good judgement in appointing a new football manager and plain good luck the Club avoided falling into administration and relegation. John and Stephen deserve credit and thanks for their efforts and dedication in keeping the Club in business.

Fundraising

Survival would not have been possible, however, without the ceaseless fundraising efforts of Bees United members. These enabled Bees United to advance a further £225,000 in loans to the Club, bringing the total to £350,000.

Compared with the previous year Bees United's income remained steady at £144,200 (£144,807 to May 2003). Expenditure reduced to £12,795 (compared with £16,545) giving a slightly increased surplus for the year of £131,409 (compared with £128,236). Membership at 31 May 2004 was 1168.

Lessons learnt

The first full season with our hands on the steering wheel of the Club meant some steep learning curves. Prior to the appointment of Martin Allen as the Club's football manager, poor performances on the pitch meant falling attendances and revenue and the prospect of relegation. It brought home the sharp dilemmas facing those setting the Club's budget:

- Brentford is a football business and in the forseeable future will stand or fall on its playing performance.
- The playing budget has to be enough to deliver performances that attract sufficient paying customers to finance it.
- The only option for funding any Club deficit is further fundraising by Bees United.

In emphasising how dependant the Club is on matchday revenue this illustrates how essential it is to implement Bees United's strategy of increasing non-football related revenue to achieve a more sustainable business model.

The plans for a new stadium are key to this long-term strategy and whilst some slow progress had been made it became clear that the Bees United nominated Executive Directors needed to devote more of their time to the long term issues of a new stadium, finding ways to restructure the Club's finances and to enable Bees United to exercise its option to acquire the 60% shareholding from Altonwood before May 2005 and less time on day to day operational matters. The Brentford FC board has expressed its full support for the Bees United strategy and has re-organised the roles and responsibilities of the Club's Senior Management Team to reflect this necessary shift in emphasis.

Governance

The qustion of how much influence the Bees United board should have over the Brentfod FC board has been the subject of much debate among people who care about how the Club is run. It is clear from talking to other supporters' trusts that have a stake in ownership or running of their clubs that they too are grappling with the same thorny issues. They too are trying to define the different roles of club board members and trust board members and the accountability between them.

We are all blazing a new trail in the football industry. Anyone who tries to do something new and different will have to sort out problems that have never been tackled before. We want to change the way football clubs are run. To move away from the typical boom and bust cycles when wealthy individuals invest in clubs when it suits them and then put the clubs' existence in jeopardy when its no longer fun and they want to pull out.

The direct election in September of a Bees United member, Graham Hall, to the football club board was another step forward in improving transparency and accountability to supporters who are providing the funds to keep the Club out of administration. The Bees United board has also approved three policy documents to provide greater clarity :

- Code of Conduct for Brentford Football Club Directors
- Conflict of Interest Policy
- Guidelines on matters requiring consultation by Bees United nominated members of the Brentford FC Ltd board with the Bees United board.

Focus for the year ahead

The Bees United board are now focused on the complex and difficult challenges referred to above.

The option agreement with Altonwood will enable Bees United to acquire the shares in the Club and Griffin Park Stadium Ltd for £1 each, provided we can release Altonwood from the guarantees they have in place, which are securing £4 million of the Club's £4.5 million overdraft. We have until the end of May 2005 to pay off the overdraft or put alternative financing arrangements in place.

A number of initiatives are being actively pursued, but as Chairman I would like to hear from anyone with ideas or contacts that may be able to help. If you have deep pockets, please come forward !

Community initiatives

Although the plight of the football club has dominated our agenda, we have still been acutely conscious of our remit to build closer links with local communities. The Bees United board have actively supported initiatives by the Club's excellent Football in the Community (FITC) scheme, the new Griffin Park Learning Zone and the women's football team.

Thank you

Finally I would like to thank the Bees United board, and all our members who have contributed their time, energy and resourcefulness this year and all the other individuals and organisations that have given us advice, encouragement and support. Particular thanks are due to Paul Stedman, who has decided to stand down at the Annual General Meeting because of pressure of work and other commitments. I am sorry that the Board is losing such a dedicated member and thank him for all his hard work and commitment.

The year to 31 May 2005 will be a critical one in the history of Brentford Football Club. The outcome is uncertain, but one thing we can be sure of is that Bees United members will be making huge efforts to secure a stable long term future for the Club.

Brian Burgess
Chairman

18th November 2004

Independent Auditors' Report to the shareholders of Brentford Football Community Society Ltd

We have audited the financial statements of Brentford Football Community Society Limited for the year ended 31 May 2004, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of committee members and auditors

The board members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Board Members' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards

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 Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965. We also report to you if, in our opinion, the Board Members' Report is not 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 is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement and the Board Members' Report.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the company's affairs at 31 May 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Friendly and Industrial and Provident Societies Act 1965 and the Industrial and Provident Societies Act 1965.

Alvis & Company (Accountants) Limited
Registered Auditors
Milton House
33a Milton Road
Hampton
Middlesex TW12 2LL

19th November 2004

Brentford Football Community Society Ltd

Board Members Report
for the year ended 31 May 2004

The board members are required to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Society and of the income and expenditure of the Society for that period. These statements are required to be audited by independent auditors and copies made available to members.

In preparing those financial statements the board members are required to :-

- select suitable accounting policies and 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 assume that the Society will continue in business.

The board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 21st October 2004 and signed on its behalf by

Bruce Powell
Secretary

Brentford Football Community Society Ltd

Profit and Loss Account
for the year ended 31 May 2004

	£	2004 £	£	2003 £
Income				
Income from members				
Members subscriptions		6355		12665
Lapsed memberships		290		4
Members standing order donations	578 £6,543	76844 −53%		52399
		83489		65068
Other Income				
Sponsored walk to Wycombe	7746		8266	
Sponsored ride to Brighton	2714		0	
Matchday collections	13162		28727	
Bernie Watson memorial match	0		8654	
Funwalk / quizzes / auctions	5737		9370	
Stripes evenings	8324		1390	
Commission on Co-Operative Bank Loan Sc	0		295	
Donations	16276		21253	
Sponsor a Striker	1488		0	
Sundry fundraising	5158		1303	
		60605		79258
Bank interest receivable		106		481
Total Income		144200		144807
Expenditure				
Printing, postage and stationery	7537		3937	
Legal and professional costs	1882		6042	
Subsidy of coaches to Grimsby	280		0	
Fundraising expenses	1678		6012	
Promotion and advertising	1417		423	
Telephone	0		94	
Bank charges	1		37	
		12795		16545
Surplus for the year before taxation		131405		128262
Corporation tax		-5		26
Retained surplus for year		131409		128236

Brentford Football Community Society Ltd

Balance Sheet
at 31 May 2004

	2004		2003	
	£	£	£	£
Current assets				
Debtors - loan to Brentford Football Club Ltd	350000	← 225,000 →	125000	
Cash at Bank :				
Current account	3675	145,000	21293	
Stripes account	1210		0	
Loan Capital Fund	4399	80,000	80309	
	9284		101602	
Total assets		359284		226602
Creditors - amounts falling due within one year		91750		90250
Net current assets		267534		136352
Total Assets less Current Liabilities		267534		136352
Capital and Reserves				
Called up share capital		1097		1324
Surplus on Income and Expenditure account		266437		135028
		267534		136352

The accounts were approved by the Board on 21st October 2004 and signed on its behalf by

Brian Burgess
Chairman

Stephen Callen
Finance Officer

The notes on page 8 form an integral part of these financial statements.

Brentford Football Community Society Ltd

Notes to the Financial Statements
for the period to 31 May 2004

1. Accounting policies

The financial statements are prepared under the historiacl cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

2. Debtors	2004 £	2003 £
Secured loan to Brentford FC Ltd	80000	0
Unsecured loan to Brentford FC Ltd	270000	125000
	350000	125000

The secured loan of £80,000 is secured by means of a registered charge against the freehold title of Griffin Park.

3. Creditors		
Bess United Loan Notes	82000	78000
Loans from Committee members	9750	12250
	91750	90250

4. Share capital

Allotted, called up and fully paid		
1097 ordinary shares of £1 each (2003 - 1324 shares)	1097	1324

	Full voting members	Junior member	Other members	Total members
At 1 June 2003	1324	89	3	1416
Joined in year	63	21	1	85
Lapsed memberships	-290	-43	0	-333
At 31 May 2004	1097	67	4	1168

5. Retained surplus		
Balance at start of year	135028	6792
Retained surplus for year	131409	128236
Retained surplus carried forward	266437	135028