

Registered no. 3642327

BRENTFORD FC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002



BRENTFORD FC LIMITED

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BRENTFORD FC LIMITED

CHAIRMAN'S STATEMENT

I am reporting to you as Chairman for the accounting period ended 31st May 2002.

In many respects this last year has been one of the most exciting and yet disappointing years in recent times. Tremendous progress was made following the appointment of Steve Coppel as Team Manager culminating in our second visit to the Millennium Stadium in as many years, albeit for the Nationwide Football League 2nd Division Play-Off Final as opposed to the LDV Vans Trophy Final. That followed the bitter disappointment of missing out on automatic promotion on the 20th April. Of course there were economic benefits in getting to the Play-Off Final but still our overall financial problems continue to cause apprehension and unrest. We were again disappointed with the number of supporters who travelled to Cardiff but thank those that made the effort.

Unfortunately I have to report a loss of £1.1 million for the year despite a ten-year high average gate of 6729 and reaching the play-off final at the Cardiff Millenium Stadium. I am indebted to Steve Coppel for his contribution along with that of the performance of the players. But a loss of this magnitude just confirms the problems we have trying to be a viable business at Griffin Park.

Excitement followed the announcement that ITV Digital was to be the Nationwide Football League's new broadcast partner, paying record sums for the right to broadcast our product. It was subsequently announced that ITV Digital was to be put into administration causing widespread uncertainty over the future of many Clubs up and down the country, ours included. This merely compounded the problems that have been reported previously but for the sake of clarity the greatest threat to our business is the loss of the transfer system, as we know it. Where we were previously able to cover our trading losses at the end of each year with the sale of a player, this source of income can no longer be relied upon.

Our stadia problems continue. Playing in an Edwardian stadium when many of our competitors are fortunate enough to have modern facilities or are making progress with their proposed redevelopments, is disheartening to say the least. Twenty-two years has now lapsed since the Club first looked at the prospect of moving to a new location and little progress has been made in that time. We have taken steps to make progress and ensure the Club's survival in the long term. It won't be easy as we may have to move from Griffin Park before a new site or stadium is secured. I am aware that this prospect will be met with resistance but we must remind ourselves about exactly what is at stake...The Club's future! Do we want to see Brentford disappear or do we take the steps necessary to ensure it survives?

Our financial circumstances will not change until we have a facility that complements our aspirations. Unfortunately time is no longer on our side and I therefore remind all of you that unless our Local Authority is prepared to relax the proposed onerous conditions attached to our recent planning application our future both short and long term is in serious doubt.

Finally I thank my fellow Directors and all the staff for their continued efforts particularly in these very troubled times. A great deal of pressure is brought to bear and their dedication and loyalty is very much appreciated. I also thank our supporters and shareholders for their continued support.

R G NOADES
CHAIRMAN

BRENTFORD FC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002

Directors' Responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a 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.

Directors

R G Noades
G J Hargraves
D Tana (Resigned 03.02.2002)
D A Miller (Resigned 14.02.2002)
J P Herting
E Rogers
M M Lange (Appointed 25.06.2001, resigned 20.05.2002)
J McGlashan (Appointed 25.02.2002)

Secretary

E Rogers

Registered Office

Griffin Park
Braemar Road
Brentford
Middlesex, TW8 0NT

Principal Activities

The principal activities of the company throughout the year were those of a professional football league club.

Review of Business and Future Developments

Given the parlous financial nature of the football industry together with the evident weakening of the football clubs in the lower divisions, the Directors view the future with some trepidation.

BRENTFORD FC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002(continued)

Fixed Assets

Movements in fixed assets are shown in notes 8 and 9 to the accounts.

Results and Dividends

The company's loss for the year, after taxation, amounted to £1,176,913 (2001 - £1,833,761).
The directors are unable to recommend the payment of a dividend.

Directors

The directors during the period, were as shown above.

Directors' Interests

The following who were directors at the year end held shares in group companies:

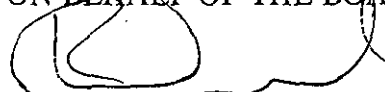
J P Herting	200 ordinary shares in Griffin Park Stadium Limited
J P Herting	5,400 ordinary shares in Brentford Holdings Limited
R G Noades	89,800 Ordinary shares in Altonwood Holdings Limited

Mr R G Noades had a 100% beneficial interest in the shares of Altonwood Holdings Limited, the ultimate holding company of Brentford FC Limited.

Auditors

The auditors, Howard Watson Smith & Co., have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD


.....
R G NOADES - DIRECTOR

Date: 14th November 2002

BRENTFORD FC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENTFORD FC LIMITED

We have audited the financial statements of Brentford FC Limited for the Year ended 31 May 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Companies Act 1985. We also report to you if, in our opinion, The Directors' 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 regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of 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. The company's freehold property has been included in the financial statements at a directors' valuation of £7 million. Financial Reporting Standard 15 "Tangible Fixed Assets" requires revaluations to be based on a "full valuation". This may be conducted by either a qualified external valuer, or a qualified internal valuer provided that the valuation has been subject to review by a qualified external valuer. The directors' valuation does not satisfy these criteria and the company has therefore not complied with Financial Reporting Standard 15.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty - going concern

In forming our opinion, we have considered the disclosures in the financial statements concerning reliance on the ongoing financial support of fellow group companies and certain directors and the requirements for additional funding. The financial statements have been prepared on a going concern basis, the validity of which depends upon sufficient funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. Details of this fundamental uncertainty are described in note 1. Our

BRENTFORD FC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENTFORD FC LIMITED (CONT)

opinion is not qualified in this respect.

Qualified opinion arising from non-compliance with an accounting standard and a consequent limitation in audit scope

Except for any adjustments that might have been found to be necessary had a full valuation of the company's freehold property been obtained, which differed from the directors valuation, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2002 and have been properly prepared in accordance with the Companies Act 1985. In our opinion the financial statements give a true and fair view of the company's loss for the year ended 31 May 2002.

In respect alone of the limitation on our work arising from the company's failure to obtain a full valuation of its freehold property we have not obtained all the information and explanations that we consider necessary for the purpose of our audit.



HOWARD WATSON SMITH & Co.
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
MILTON KEYNES
15 November 2002

BRENTFORD FC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2002

	Note	2002 £	2001 £
TURNOVER	2	2,790,957	2,238,601
Net operating expenses	3	3,854,375	4,799,034
OPERATING LOSS	4	(1,063,418)	(2,560,433)
Profit on sale of fixed assets		139,016	965,374
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(924,402)	(1,595,059)
Interest receivable		850	2,069
Interest payable and similar charges	5	(253,361)	(240,771)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,176,913)	(1,833,761)
Tax on loss on ordinary activities	6	-	-
RETAINED LOSS FOR THE FINANCIAL PERIOD		(1,176,913)	(1,833,761)
Retained loss brought forward		(3,735,434)	(1,901,673)
RETAINED LOSS CARRIED FORWARD		(4,912,347)	(3,735,434)

All activities derive from continuing operations.

The annexed notes form part of these financial statements.

BRENTFORD FC LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MAY 2002

	2002 £	2001 £
Loss for the financial year	(1,176,913)	(1,833,761)
Unrealised surplus on revaluation of properties	5,127,242	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>3,950,329</u>	<u>(1,833,761)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2002 £	2001 £
Reported loss on ordinary activities before taxation	(1,176,913)	(1,833,761)
	<hr/>	<hr/>
Historical cost loss on ordinary activities before taxation	<u>(1,176,913)</u>	<u>(1,833,761)</u>
	<hr/>	<hr/>
Historical cost loss for the year retained after taxation and dividends	<u>(1,176,913)</u>	<u>(1,833,761)</u>

BRENTFORD FC LIMITED

BALANCE SHEET AT 31 MAY 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	8	1	217,423
Tangible assets	9	7,002,000	99,322
		<u>7,002,001</u>	<u>316,745</u>
CURRENT ASSETS			
Stocks	10	15,105	18,912
Debtors	11	381,055	374,783
Cash at bank and in hand		8,532	4,670
		<u>404,692</u>	<u>398,365</u>
CREDITORS			
Amounts falling due within one year	12	5,889,798	4,448,544
		<u></u>	<u></u>
NET CURRENT LIABILITIES		(5,485,106)	(4,050,179)
		<u></u>	<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,516,895	(3,733,434)
CREDITORS			
Amounts falling due after more than one year	13	(1,300,000)	-
		<u></u>	<u></u>
NET ASSETS/(LIABILITIES)		<u>216,895</u>	<u>(3,733,434)</u>
CAPITAL AND RESERVES			
Called up share capital	14	2,000	2,000
Revaluation reserve	15	5,127,242	-
Profit and loss account		(4,912,347)	(3,735,434)
		<u>216,895</u>	<u>(3,733,434)</u>
EQUITY SHAREHOLDERS' FUNDS	16	<u>216,895</u>	<u>(3,733,434)</u>

ON BEHALF OF THE BOARD



R G NOADES - DIRECTOR

These financial statements were approved by the board on 14th November 2002

The annexed notes form part of these financial statements.

BRENTFORD FC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2002

	Note	2002 £	2001 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	23	(497,786)	(284,357)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	(252,511)	(238,702)
CAPITAL EXPENDITURE	24	(1,704,891)	660,424
		<u>(2,455,188)</u>	<u>137,365</u>
FINANCING	24	1,819,841	(43,344)
(DECREASE) INCREASE IN CASH	25	<u>(635,347)</u>	<u>94,021</u>

The annexed notes form part of these financial statements.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

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

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and on a going concern basis which assumes the ongoing financial support of fellow group companies and certain directors. In considering the going concern basis the directors have had regard to the period to 31 May 2003. The company's circumstances and the uncertainties regarding the transfer system relating to players' contracts render it impracticable to look beyond that date. Most of the support available from fellow group companies and certain directors secures the company's bank overdraft facility. No further support to increase the facility is available from these sources. The company's projections indicate that the current overdraft facility will be inadequate after 31 December 2002. The directors are considering additional possible sources of funding none of which are certain.

The effect of events in relation to the year ended 31 May 2002 which occurred before the date of approval of the financial statements by the Board of Directors, has been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 May 2002 and of the results for the period ended on that date.

Depreciation

Depreciation has been computed to write off the cost less estimated residual value of tangible fixed assets over their expected useful lives using the following rates:

Freehold buildings	- 0% per annum of cost or revalued amount
Improvements to leasehold buildings	- equal instalments over the period of the lease
Plant and machinery	- 20% per annum of cost
Fixtures and fittings	- 20% per annum of cost
Motor vehicles	- 25% per annum of cost
Computer equipment	- 25% per annum of cost

The company's freehold land and buildings at Griffin Park are maintained in such condition that its residual value is not diminished by the passage of time and the relevant maintenance expenditure is charged to the profit and loss account in the year in which it is incurred. Any provision for depreciation is considered to be immaterial and no provision is made. Provision will be made against the freehold land and buildings in the event of any impairment or other permanent diminution in its value.

Freehold Land and Buildings

The freehold land and buildings have been included in these financial statements at a value arrived at by the directors. It will be revalued annually.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

Goodwill

Following the impairment review in the year ended 31 May 2001, the directors considered that the useful life of goodwill had expired and it was written off.

Intangible Fixed Assets - Players Contracts

Transfer costs of players contracts 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.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

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

Pension Costs

The company operates a pension scheme for the benefit of its employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

Grants received

Grants received from the Football Trust are taken to the profit and loss account when received. Other grants received 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.

Impairment

Impairment reviews have been carried out on all the company's fixed assets comparing the carrying value to their recoverable amounts and a provision has been made to reduce them to their recoverable amounts, where necessary.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

2. TURNOVER

Turnover represents gate and related receipts less percentage payments to the Football League and Football Association, receipts from the Football League and sponsorship and net promotional income, all exclusive of value added tax.

The turnover and results before tax are wholly attributable to the Company's principal activities as a professional football club.

3. NET OPERATING EXPENSES

	2002 £	2001 £
Administrative expenses	4,032,378	4,974,267
Other operating income	(178,003)	(175,233)
	<u>3,854,375</u>	<u>4,799,034</u>

4. OPERATING LOSS

Operating loss is stated after charging:

	2002 £	2001 £
Directors' emoluments	63,893	59,378
Directors' pension contributions in respect of money purchase benefits	1,048	1,020
Total directors' emoluments	<u>64,941</u>	<u>60,398</u>
Amortisation of intangible assets	192,202	478,593
Depreciation of assets held under finance lease and hire purchase	10,000	23,940
Depreciation of owned assets	21,272	34,217
Operating rental - land and buildings	-	40,000
Impairment loss	62,419	494,898
Auditors remuneration	<u>12,000</u>	<u>12,000</u>

During the year one director was accruing benefits under the defined contribution pension scheme. (2001 - same)

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank loans and overdrafts	253,225	238,704
Finance charges payable - finance leases and hire purchase	136	2,067
	<u>253,361</u>	<u>240,771</u>

6. TAXATION

There is no tax charge for the year.

The company has losses of approximately £1,000,000 which are available for surrender under consortium relief.

Tax losses of approximately £2,800,000 are available for relief against future trading profits. No deferred tax asset has been created for the tax value of these losses due to the uncertainty of future available trading profits to set them against.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

7. STAFF COSTS

The average number of persons employed by the company, including directors, during the period was as follows:

	Number	Number
Administration and commercial staff	20	19
Playing, training and ground staff	56	54
	<u>76</u>	<u>73</u>

The company also employs a significant number of staff on matchdays.

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	2,275,464	2,482,781
Social security	213,794	246,959
Pension costs	14,855	10,466
	<u>2,504,113</u>	<u>2,740,206</u>

The above staff costs are attributable as follows:

	£	£
Administration and commercial staff	462,552	420,861
Playing training and ground staff	2,041,561	2,319,345
	<u>2,504,113</u>	<u>2,740,206</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

8. INTANGIBLE FIXED ASSETS

	Players contracts £	Goodwill £	Total £
Cost			
At 1 June 2001	1,364,187	396,836	1,761,023
Additions	21,568	-	21,568
Disposals	(435,653)	-	(435,653)
At 31 May 2002	<u>950,102</u>	<u>396,836</u>	<u>1,346,938</u>
Amortisation			
At 1 June 2001	1,146,764	396,836	1,543,600
Charge for the year	192,202	-	192,202
Impairment	29,440	-	29,440
Eliminated on disposals	(418,305)	-	(418,305)
At 31 May 2002	<u>950,101</u>	<u>396,836</u>	<u>1,346,937</u>
Net book value			
At 31 May 2002	<u>1</u>	<u>-</u>	<u>1</u>
At 31 May 2001	<u>217,423</u>	<u>-</u>	<u>217,423</u>

The transfer costs of obtaining the contract for services of a player are capitalised in the year in which incurred and amortised in accordance with the accounting policy set out in note 1.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Imp to Short l'hld buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 June 2001	-	62,512	19,864	134,185	95,763	312,324
Additions	1,813,835	-	9,168	26,684	-	1,849,687
Transfer	62,512	(62,512)	-	-	-	-
Revaluation	5,127,242	-	-	-	-	5,127,242
Disposals	(3,589)	-	-	-	(61,413)	(65,002)
At 31 May 2002	<u>7,000,000</u>	<u>-</u>	<u>29,032</u>	<u>160,869</u>	<u>34,350</u>	<u>7,224,251</u>
Depreciation						
At 1 June 2001	-	3,190	9,864	124,185	75,763	213,002
Charge for the year	-	399	12,568	8,305	10,000	31,272
Transfer	3,589	(3,589)	-	-	-	-
Impairment	-	-	5,600	27,379	-	32,979
Disposals	(3,589)	-	-	-	(51,413)	(55,002)
At 31 May 2002	<u>-</u>	<u>-</u>	<u>28,032</u>	<u>159,869</u>	<u>34,350</u>	<u>222,251</u>
Net book value						
At 31 May 2002	<u>7,000,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>7,002,000</u>
At 31 May 2001	<u>-</u>	<u>59,322</u>	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>99,322</u>

The total amount of impairment losses at 31 May 2002 included above for plant and machinery were £8,620, for fixtures and fittings £94,350 and for motor vehicles £19,903.

Cost or valuation of land and buildings comprises:

	£
Cost	1,872,758
Revaluation surplus	5,127,242
Valuation 31 May 2002	<u>7,000,000</u>

The freehold land and buildings are included in the financial statements at the directors' valuation of £7 million.

The directors are of the opinion that, given the grant of the recent planning decision notwithstanding the conditions attached thereto, the value of the freehold property is not less than £7,000,000.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

10. STOCKS

	2002 £	2001 £
Stock of commercial goods	<u>15,105</u>	<u>18,912</u>

11. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	306,784	79,837
Amounts owed by group undertakings	364	2,335
Other debtors	60,355	79,972
Prepayments and accrued income	10,085	10,139
Transfer fees receivable	3,467	202,500
	<u>381,055</u>	<u>374,783</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

12. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2002 £	2001 £
Directors loans (unsecured)	75,000	50,000
Directors loans (secured)	250,000	-
Bank overdraft (secured)	3,842,123	3,202,914
Obligations under finance leases and hire purchase contracts	-	5,159
Trade creditors	268,003	166,854
Amounts owed to group undertakings (secured)	250,000	37,378
Social security and other taxes	199,718	176,078
Other creditors	50,760	71,428
Deferred income	650,546	614,167
Accruals	303,648	124,566
	<u>5,889,798</u>	<u>4,448,544</u>

All deferred income will be treated as income in future accounting periods without any obligation for repayment by the company.

The bank overdraft is secured by a fixed and floating charge over all the assets of the company and guarantees provided by Altonwood Limited and Griffin Park Stadium Limited.

Obligations under finance leases and hire purchase contracts, are secured by related assets.

Other Creditors includes £1,851 (2001 - £62,500) relating to transfer fees payable.

The directors secured loan of £250,000 and the secured group indebtedness above of £250,000 are both secured by equal ranking second fixed charges over the company's freehold property.

13. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2002 £	2001 £
Other loan (secured)	<u>1,300,000</u>	<u>-</u>

The loan of £1,300,000 is secured by a third ranking equitable charge over the freehold property of the company.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

Analysis of debt maturity

	2002 £	2001 £
Amounts payable:		
Within one year or on demand	4,417,123	3,258,073
Between one and two years	-	-
Between two and five years	1,300,000	-
In five years or more	-	-
	<u>5,717,123</u>	<u>3,258,073</u>

14. SHARE CAPITAL

	2002 £	2001 £
Authorised		
200,000 ordinary shares of £0.01 each		
1 special share of £0.01	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
200,000 ordinary shares of £0.01 each		
1 special share of £0.01	<u>2,000</u>	<u>2,000</u>

One special share was allotted in the year, at par, for cash.

The special share ranks pari passu with the ordinary shares with the additional right of the holder 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 such sale.

15. REVALUATION RESERVE

	2002 £
At 1 June 2001	-
Surplus on revaluation of properties during the year	<u>5,127,242</u>
At 31 May 2002	<u>5,127,242</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial period	(1,176,913)	(1,833,761)
Other recognised gains and losses relating to the year	5,127,242	-
Net addition to shareholders' funds	3,950,329	(1,833,761)
Opening shareholders' funds	(3,733,434)	(1,899,673)
Closing shareholders' funds	<u>216,895</u>	<u>(3,733,434)</u>

17. LEASING COMMITMENTS

At 31 May 2002 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings £	2002 Other £	Land and buildings £	2001 Other £
Operating leases which expire:				
Within two to five years	36,250	-	-	-
	<u>36,250</u>	<u>-</u>	<u>-</u>	<u>-</u>

18. CONTINGENT LIABILITIES

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the company if conditions as to future first team appearances are met. The amount that could be payable is £32,750.

19. PENSION COSTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £14,855 (2001 £10,466).

There were no amounts outstanding at the end of the year.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

20. RELATED PARTY TRANSACTIONS

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

As part consideration of the £1,800,000, the directors loan of £250,000 and the loan from the group undertaking of £250,000, both referred to in note 12 were assigned from Griffin Park Stadium Limited. Payment of the balance of £1,300,000 has been deferred for five years, subject to certain conditions and is left as an interest free loan, secured by a third ranking equitable charge over the freehold stadium.

The directors loan of £250,000 referred to above, is from Mr J P Herting and is secured by a fixed and floating charge over the company's fixed assets.

The loan from group undertaking of £250,000 referred to above is from Altonwood Limited and is secured by a fixed and floating charge over the company's fixed assets.

The unsecured directors loans referred to in note 12 relate to interest free loans of £50,000 from E Rogers and £25,000 from J McGlashan.

21. ULTIMATE HOLDING COMPANY

The ultimate holding company is Altonwood Holdings Limited a company incorporated in England and Wales. Group accounts are available from Companies House.

Altonwood Holdings Limited is under the control of Mr R G Noades.

22. DEFERRED TAXATION

The amount provided and the potential liability for deferred taxation is as follows:

	2002		2001	
	Provided	Potential	Provided	Potential
	£	£	£	£
The accumulated excess of depreciation over corresponding capital allowances	-	(75,022)	-	-
On revaluation of freehold stadium	-	1,500,928	-	-
	<u>-</u>	<u>1,425,906</u>	<u>-</u>	<u>-</u>

The capital allowances deferred tax asset has not been provided as it is dependent upon future taxable profits arising which cannot at this stage be anticipated.

The deferred tax liability in respect of the revalued freehold stadium is the maximum amount payable if the property were to be sold at its value in these financial statements and assuming that no rollover relief was available.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

23. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	(1,063,418)	(2,560,433)
Depreciation charge	223,474	536,750
Impairment losses	62,419	494,898
Decrease in stocks	3,807	9,025
Increase in debtors	(6,272)	1,000,809
Increase in creditors	282,204	234,594
Net cash outflow from operating activities	<u>(497,786)</u>	<u>(284,357)</u>

24. GROSS CASH FLOWS

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received (including tax recovered)	850	2,069
Interest paid (including tax deducted)	(253,225)	(238,704)
Interest element of finance lease rental payments	(136)	(2,067)
	<u>(252,511)</u>	<u>(238,702)</u>
Capital expenditure		
Payments to acquire fixed assets	(1,871,255)	(468,258)
Receipts from sales of fixed assets	166,364	1,128,682
	<u>(1,704,891)</u>	<u>660,424</u>
Financing		
Issue of debentures, loans etc	1,825,000	-
Repayment of loans	-	(7,398)
Capital element of finance lease repayment	(5,159)	(35,946)
	<u>1,819,841</u>	<u>(43,344)</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002 (continued)

25. ANALYSIS OF NET DEBT

	2001 £	Cash flow £	Other changes £	2002 £
Cash at bank and in hand	4,670	3,862	-	8,532
Overdraft	(3,202,914)	(639,209)	-	(3,842,123)
		(635,347)		
Debt due within 1 year	(50,000)	(525,000)	-	(575,000)
Debt due after 1 year	-	(1,300,000)	-	(1,300,000)
Finance leases	(5,159)	5,159	-	-
		(1,819,841)		
Total	(3,253,403)	(2,455,188)	-	(5,708,591)

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
(Decrease)/increase in cash in the Year	(635,347)	94,021
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(1,819,841)	43,344
Movement in net debt in the Year	(2,455,188)	137,365
Net debt at 1 June 2001	(3,253,403)	(3,390,768)
Net debt at 31 May 2002	(5,708,591)	(3,253,403)