

Registered no. 3642327

BRENTFORD FC LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001



BRENTFORD FC LIMITED

CONTENTS

PAGE

Chairman's statement

Directors' report

Auditors' report

Profit and loss account

Balance sheet

Cash flow statement

Notes to the accounts

1

3

4

5

6

7

BRENTFORD FC LIMITED

CHAIRMAN'S STATEMENT

I am pleased to be reporting to you as Chairman for the accounting period ending 31st May 2001.

I predicted at the end of our last financial year that the proposed abolition of the current transfer fee system would be a substantial threat to our business and would have a dramatic impact on the value of players in the Second Division and in particular our Club. As a direct result of this uncertainty the Club has been unable to reduce the financial losses this accounting period. The disposal of two players, Andy Scott and Robert Quinn, along with numerous cost cutting measures to reduce outgoings were necessary measures that the Club had to take. I was very sorry to lose Ray Lewington but understand his circumstances. However I am delighted to have Steve Coppell as his replacement and wish him well for the present season.

The highlight of last season was our qualification for the LDV Vans Trophy Final played at the Millennium Stadium, Cardiff, not just because of the financial benefit but to have qualified at a time when many considered our season over. It was a great achievement for the players and management although the result on the day was very disappointing as was the level of support. The Club does however acknowledge and thank the ten thousand or so fans who did travel.

The Club welcomes the Supporters' Trust, Bees United, moving with us on all aspects of our business but in particular their desire to help with the Club's relocation efforts. Continuing our efforts to relocate within the Borough is of course our priority, as it will enable us to increase turnover and benefit from new income streams that have never previously been available. I do have concerns over the timescales for relocation particularly in view of the loss of income from the transfer of players and any real delay threatens our very existence.

The annual report produced by Deloitte Touche on football finance highlights the financial plight of Clubs in the Football League with only five out of seventy-two making a trading profit. This puts our current situation into perspective. During the course of the 1999/2000 season the Club's wages bill represented 146% of our total turnover. However if the wage bill is analysed in conjunction with our gate receipts, the player costs represent 280% of gate income. This is not surprising knowing how low our gates are compared with other Division Two clubs and the fact that, other than sponsorship our only real source of income is gate receipts. This is due to the lack of corporate facilities at Griffin Park. This reinforces the need for a new stadium to give us access to new revenue streams. The pressure to spend on players to strive for success is always high. However the Club will now have to continue to reduce its outgoings wherever possible, at the same time trying to maintain a competitive edge on the field of play.

On a lighter note I am delighted that GMB has renewed its support of the Club for the fourth successive year and I welcome Infogrames UK Limited as our Stadium Sponsor in a prestigious two-year agreement. I am also encouraged by the number of season tickets sold for the 2001/2002 season.

In closing, I would like to thank my fellow Directors, all the staff both full and part-time for their continued effort, particularly those who give us their time on a voluntary basis and to thank our supporters and shareholders for their continued loyal support.

R G Noades
CHAIRMAN

BRENTFORD FC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2001

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
D A Miller
S Ebbs (resigned 04.12.00)
J P Herting
E Rogers

Secretary

P Kates

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.

BRENTFORD FC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2001(continued)

Review of Business

Whilst the directors are pleased with the increase in turnover, the club is still suffering from the high wage costs that subsist in the industry. The proposed changes in the system for transferring players contracts makes the future funding from such sources uncertain. The club is also suffering from a decreasing level of support at its present location.

Future Developments

The directors continue to strive to relocate the club to a new more viable ground.

Events Since the End of the Year

On 25 June 2001 Brentford FC Limited acquired the Griffin Park stadium, for a sum of £1,800,000, from Griffin Park Stadium Limited.

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 £1,833,761 (2000 - £946,007). The directors are unable to recommend the payment of a dividend.

Directors

The directors during the period, were as shown above.

Directors' Interests

Throughout the period Mr D Tana held a beneficial interest in 1,010 ordinary shares of the company. The following who were directors at the year end held shares in group companies:

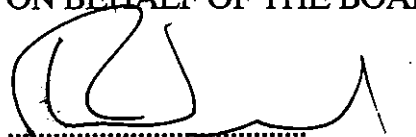
D Tana	1,010 ordinary shares in Griffin Park Stadium Limited
J P Herting	200 ordinary shares in Griffin Park Stadium Limited
J P Herting	5,400 ordinary shares in Brentford Holdings Limited
R G Noades	89,800 Ordinary shares in Altonwood Holdings Limited

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: 18.10.01

BRENTFORD FC LIMITED

AUDITORS' REPORT TO THE MEMBERS OF BRENTFORD FC LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

Financial support

In forming our opinion, we have considered the disclosures in note 1 of the financial statements concerning reliance on the ongoing financial support of fellow group companies and certain directors. In view of the significance of the fact that the preparation of the financial statements on a going concern basis assumes this ongoing support we consider that these disclosures should be brought to your attention. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HOWARD WATSON SMITH & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
MILTON KEYNES
19 OCTOBER 2001.

BRENTFORD FC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2001

	Note	2001 £	2000 £
TURNOVER	2	2,238,601	1,871,951
Net operating expenses	3	4,799,034	4,389,499
OPERATING LOSS	4	(2,560,433)	(2,517,548)
Profit on sale of fixed assets		965,374	1,761,467
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,595,059)	(756,081)
Interest receivable		2,069	2,849
Interest payable and similar charges	5	(240,771)	(192,775)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,833,761)	(946,007)
Tax on loss on ordinary activities	6	-	-
RETAINED LOSS FOR THE FINANCIAL PERIOD		(1,833,761)	(946,007)
Retained loss brought forward		(1,901,673)	(955,666)
RETAINED LOSS CARRIED FORWARD		(3,735,434)	(1,901,673)

All activities derive from continuing operations.

The only recognised loss for the year was the loss for the financial year of £(1,833,761) (2000 - £(946,007)).

There are no material differences between the results disclosed in the above profit and loss account and those on an unmodified historical cost basis.

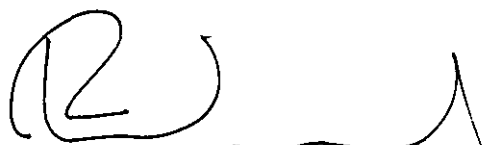
The annexed notes form part of these financial statements.

BRENTFORD FC LIMITED

BALANCE SHEET AT 31 MAY 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Intangible assets	8	217,423	827,753
Tangible assets	9	99,322	215,690
		<u>316,745</u>	<u>1,043,443</u>
CURRENT ASSETS			
Stocks	10	18,912	27,937
Debtors	11	374,783	1,375,592
Cash at bank and in hand		450,441	268,311
		<u>844,136</u>	<u>1,671,840</u>
CREDITORS			
Amounts falling due within one year	12	4,894,315	4,602,285
		<u></u>	<u></u>
NET CURRENT LIABILITIES		(4,050,179)	(2,930,445)
		<u></u>	<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,733,434)	(1,887,002)
CREDITORS			
Amounts falling due after more than one year	13	-	(12,671)
		<u></u>	<u></u>
NET LIABILITIES		(3,733,434)	(1,899,673)
		<u></u>	<u></u>
CAPITAL AND RESERVES			
Called up share capital	15	2,000	2,000
Profit and loss account		(3,735,434)	(1,901,673)
		<u></u>	<u></u>
EQUITY SHAREHOLDERS' FUNDS	16	(3,733,434)	(1,899,673)
		<u></u>	<u></u>

ON BEHALF OF THE BOARD



R G NOADES - DIRECTOR

These financial statements were approved by the board on 18.10.01

The annexed notes form part of these financial statements.

BRENTFORD FC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2001

	Note	2001 £	2000 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	23	(284,357)	(2,534,543)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	(238,702)	(189,926)
CAPITAL EXPENDITURE	24	660,424	1,394,407
		<u>137,365</u>	<u>(1,330,062)</u>
FINANCING	24	(43,344)	(48,473)
INCREASE (DECREASE) IN CASH	25	<u>94,021</u>	<u>(1,378,535)</u>

The annexed notes form part of these financial statements.

*** BRENTFORD FC LIMITED**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001

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 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 2002. The company's circumstances and the uncertainties regarding the transfer system relating to players' contracts render it impracticable to look beyond that date.

The effect of events relating to the year ended 31 May 2001 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 2001 and of the results for the year 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:

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

Goodwill

Following an impairment review the directors consider that the useful life of goodwill has expired and it has been written off in these financial statements.

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.

***BRENTFORD FC LIMITED**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

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 to the extent that it is considered that a net liability may arise.

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.

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.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

3. NET OPERATING EXPENSES

	2001 £	2000 £
Administrative expenses	4,974,267	4,615,152
Other operating income	175,233	225,653
	<u>4,799,034</u>	<u>4,389,499</u>

4. OPERATING LOSS

Operating loss is stated after charging:

	2001 £	2000 £
Directors' emoluments	54,078	52,848
Directors' pension contributions in respect of money purchase benefits	6,320	642
Total directors' emoluments	<u>60,398</u>	<u>53,490</u>
Amortisation of intangible assets	478,593	547,377
Depreciation of assets held under finance lease and hire purchase	23,940	23,940
Depreciation of owned assets	34,217	26,064
Operating rental - land and buildings	40,000	40,000
Impairment loss	494,898	254,546
Auditors remuneration	12,000	12,000

During the year one director was accruing benefits under the defined contribution pension scheme.(2000 - same)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank loans and overdrafts	238,704	188,287
Finance charges payable - finance leases and hire purchase	2,067	4,488
	<u>240,771</u>	<u>192,775</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

6. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge for the year.

The company will surrender tax losses of approximately £1,500,000 to a fellow group company.

Losses in excess of £2,000,000 will be carried forward to set against future trading profits.

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	19	19
Playing, training and ground staff	54	52
	<u>73</u>	<u>71</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	2,482,781	2,491,589
Social security	246,959	240,422
Pension costs	10,466	7,723
	<u>2,740,206</u>	<u>2,739,734</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

8. INTANGIBLE FIXED ASSETS

	Players contracts £	Goodwill £	Total £
Cost			
At 1 June 2000	1,203,753	396,836	1,600,589
Additions	436,575	-	436,575
Disposals	(276,141)	-	(276,141)
At 31 May 2001	<u>1,364,187</u>	<u>396,836</u>	<u>1,761,023</u>
Amortisation			
At 1 June 2000	667,012	105,824	772,836
Charge for the year	399,225	79,368	478,593
Impairment	193,360	211,644	405,004
Eliminated on disposals	(112,833)	-	(112,833)
At 31 May 2001	<u>1,146,764</u>	<u>396,836</u>	<u>1,543,600</u>
Net book value			
At 31 May 2001	<u>217,423</u>	<u>-</u>	<u>217,423</u>
At 31 May 2000	<u>536,741</u>	<u>291,012</u>	<u>827,753</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 2001 (continued)

9. TANGIBLE FIXED ASSETS

	Improvements to short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 June 2000	62,512	12,964	109,402	95,763	280,641
Additions	-	6,900	24,783	-	31,683
At 31 May 2001	<u>62,512</u>	<u>19,864</u>	<u>134,185</u>	<u>95,763</u>	<u>312,324</u>
Depreciation					
At 1 June 2000	1,594	3,126	28,311	31,920	64,951
Charge for the year	1,596	3,718	28,903	23,940	58,157
Impairment	-	3,020	66,971	19,903	89,894
At 31 May 2001	<u>3,190</u>	<u>9,864</u>	<u>124,185</u>	<u>75,763</u>	<u>213,002</u>
Net book value					
At 31 May 2001	<u>59,322</u>	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>99,322</u>
At 31 May 2000	<u>60,918</u>	<u>9,838</u>	<u>81,091</u>	<u>63,843</u>	<u>215,690</u>

The motor vehicles are held under finance lease/hire purchase contracts.

10. STOCKS

	2001 £	2000 £
Stock of commercial goods	<u>18,912</u>	<u>27,937</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

11. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	2001 £	2000 £
Trade debtors	79,837	76,409
Amounts owed by group undertakings	2,335	411
Other debtors	79,972	75,066
Prepayments and accrued income	10,139	3,706
Transfer fees receivable	202,500	1,220,000
	<u>374,783</u>	<u>1,375,592</u>

12. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2001 £	2000 £
Other loans	50,000	50,000
Bank overdraft (secured)	3,648,685	3,560,576
Obligations under finance leases and hire purchase contracts	5,159	35,832
Trade creditors	166,854	311,751
Amounts owed to group undertakings	37,378	43,638
Social security and other taxes	176,078	130,561
Other creditors	71,428	197,897
Accruals and deferred income	738,733	272,030
	<u>4,894,315</u>	<u>4,602,285</u>

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, the latter also supporting its guarantee with a charge over the freehold stadium.

Obligations under finance leases and hire purchase contracts, in notes 12 and 13, are secured by related assets.

Other loans represents £50,000 owed to director E Rogers as an interest free loan.

Other creditors includes £62,500 (2000 - £181,571) relating to transfer fees payable.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

13. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2001 £	2000 £
Other loans	-	7,398
Obligations under finance leases and hire purchase contracts	-	5,273
	<u>-</u>	<u>12,671</u>
	<u>-</u>	<u>12,671</u>

Analysis of debt maturity

	2001 £	2000 £
Amounts payable:		
Within one year or on demand	3,703,844	3,646,408
Between one and two years	-	12,671
Between two and five years	-	-
In five years or more	-	-
	<u>3,703,844</u>	<u>3,659,079</u>
	<u>3,703,844</u>	<u>3,659,079</u>

14. DEFERRED TAXATION

Following the impairment review goodwill has now been written down to nil. As a result there is now no potential liability to tax on realisation of goodwill at book value (2000 - £87,000 - not provided).

15. SHARE CAPITAL

	2001 £	2000 £
Authorised 200,000 ordinary shares of £0.01 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid 200,000 ordinary shares of £0.01 each	<u>2,000</u>	<u>2,000</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Loss for the financial period	(1,833,761)	(946,007)
Opening shareholders' funds	<u>(1,899,673)</u>	<u>(953,666)</u>
Closing shareholders' funds	<u>(3,733,434)</u>	<u>(1,899,673)</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

17. POST BALANCE SHEET EVENTS

On 25 June 2001 Brentford FC Limited acquired the Griffin Park stadium, for a sum of £1,800,000, from Griffin Park Stadium Limited, a fellow subsidiary company.

As part consideration of the £1,800,000, two loans of £250,000 were assigned to Brentford FC 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.

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

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 £115,000.

At 31 May 2001 the directors had authorised the capital commitment as detailed in note 17 above.

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 £10,466 (2000 £7,723).

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

20. RELATED PARTY TRANSACTIONS

Altonwood Services Limited, a group company, charged Brentford FC Limited the following:

In respect of -

Services of club manager MR R G Noades (ceased November 2000)	£84,150
Pitch maintenance (ceased 31 January 2001)	£ 27,842
Other	£ 5,917

During the year, rent of £40,000 was charged by Griffin Park Stadium Limited. At 31 May 2001 the company owed Griffin Park Stadium Limited £37,378.

The company has guaranteed bank liabilities of Griffin Park Stadium Limited which at 31 May 2001 amounted to £NIL.

The company incurred costs totalling £45,391 in respect of training facilities invoiced by Streete Court Leisure Limited, a group company. This facility ceased 31 January 2001.

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.

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

22. RENTAL COMMITMENT

At 31 May 2001 the company had a commitment in respect of a licence for land and buildings to pay £40,000 in the next year. As stated in note 17 above, the company acquired the freehold stadium in June 2001 to which this rent relates.

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

	2001 £	2000 £
Operating loss	(2,560,433)	(2,517,548)
Depreciation charge	536,750	597,381
Impairment losses	494,898	254,546
Decrease in stocks	9,025	5,492
(Increase)/decrease in debtors	1,000,809	(819,734)
Increase/(decrease) in creditors	234,594	(54,680)
Net cash inflow/outflow from operating activities	<u>(284,357)</u>	<u>(2,534,543)</u>

24. GROSS CASH FLOWS

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received (including tax recovered)	2,069	2,849
Interest paid (including tax deducted)	(238,704)	(188,287)
Interest element of finance lease rental payments	(2,067)	(4,488)
	<u>(238,702)</u>	<u>(189,926)</u>
Capital expenditure		
Payments to acquire fixed assets	(468,258)	(790,093)
Receipts from sales of fixed assets	1,128,682	2,184,500
	<u>660,424</u>	<u>1,394,407</u>
Financing		
Repayments of loans	(7,398)	(14,796)
Capital element of finance lease repayment	(35,946)	(33,677)
	<u>(43,344)</u>	<u>(48,473)</u>

BRENTFORD FC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (continued)

25. ANALYSIS OF NET DEBT

	2000 £	Cash flow £	Other changes £	2001 £
Cash at bank and in hand	268,311	182,130	-	450,441
Overdraft	(3,560,576)	(88,109)	-	(3,648,685)
		94,021		
Debt due within 1 year	(50,000)	7,398	(7,398)	(50,000)
Debt due after 1 year	(7,398)	-	7,398	-
Finance leases	(41,105)	35,946	-	(5,159)
		43,344		
Total	<u>(3,390,768)</u>	<u>137,365</u>	<u>-</u>	<u>(3,253,403)</u>

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

	2001 £	2000 £
Increase/(decrease) in cash in the Year	94,021	(1,378,535)
Cash outflow from decrease in debt and lease financing	43,344	48,473
Movement in net debt in the Year	137,365	(1,330,062)
Net debt at 1 June 2000	(3,390,768)	(2,060,706)
Net debt at 31 May 2001	<u>(3,253,403)</u>	<u>(3,390,768)</u>