

Registration number. 3642327

**BRENTFORD FC LIMITED**  
**GROUP REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2009**

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# **BRENTFORD FC LIMITED**

## **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2009**

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<b>Contents</b>	<b>Page</b>
Company information	<b>1</b>
Chairman's statement	<b>2 - 3</b>
Directors' report	<b>4 - 7</b>
Independent auditor's Report	<b>8 - 9</b>
Group Profit and loss account	<b>10</b>
Group Statement of total recognised gains and losses	<b>11</b>
Group Balance sheet	<b>12</b>
Company Balance Sheet	<b>13</b>
Group Cash flow Statement	<b>14</b>
Notes to the financial statements	<b>15 - 29</b>

## **BRENTFORD FC LIMITED**

### **COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 MAY 2009**

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Directors	G Dyke (Chairman) E B Rogers J P Herting A A Bird D L Merritt D J Heath D J Kerr P A Whall
Secretary	L Hall
Company Number	3642327
Registered Office	Griffin Park Braemar Road Brentford Middlesex TW8 ONT
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Auditors	Levy + Partners Limited Chartered Accountants and Statutory Auditors 86/88 South Ealing Road Ealing London W5 4QB
Bankers	Barclays Bank PLC 7th Floor United Kingdom House 180 Oxford Street London W1D 1EA

## **BRENTFORD FC LIMITED**

### **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 MAY 2009**

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#### **Chairman's statement**

We were delighted to achieve our primary goal for the 2008-9 season which was to be promoted back to League One. In the event we did this in some style by finishing as League Two Champions by six clear points. The supporters were magnificent and it was heartening to see an almost full Griffin Park on two occasions with five figure attendances. The celebrations after both promotion and the title were won at Darlington and the atmosphere during and after the final match against Luton will long stay in the memory of Bees supporters who were there.

We now have to build on the success of last season and the board has backed Andy Scott and his management team with improved contracts and a playing budget increase with the intention of consolidating in League One during the current season in order that we can assess what it will take to gain promotion to the Championship in the future which is clearly our goal.

None of this would have been possible without the continued support and financial backing of Matthew Benham who as you will know has reached agreement with Bees United to inject a minimum of £5,000,000 into the club by way of new capital over the next five years. Like most clubs Brentford Football Club continues to lose monies but once the partnership between Matthew and Bees United is completed, following approval by shareholders, then the financial stability of the Club is assured through 2014 which is a situation that very few clubs at our level enjoy.

It is the responsibility of the board to ensure that this opportunity is not wasted and that we build on the foundations that have already been laid. That we have reached this situation is the result of an incredible amount of work by various individuals and in particular I mention here David Merritt (Bees United Chairman and BFC Director) and Chris Gammon (Bees United Secretary) who together carried the main burden of the negotiations with Matthew Benham's team. Our thanks are due to them and to others whose dedication to the cause of Brentford Football Club have got us to the position where we can look to the future with some degree of confidence.

My personal thanks also to my fellow BFC board members who have given their time and the board is a cohesive unit of varied talents. It is a privilege to be the Chair. I also wish to record thanks to Jon Gosling whose three year tenure on the BFC board concluded 31 January 2009 and his place was taken by Donald Kerr a Bees United and BFC Lionel Road Ltd board member. We welcome Donald to the board.

Rob Esteva resigned from the board 22 May 2009 following his leaving Smartodds and taking a position with UEFA. We thank Rob for his invaluable input during his tenure and in his place welcome Phil Whall as Matthew Benham's nominee on the BFC board. Phil is the CEO at Matthew's core business and comes with a legal background and a wealth of ideas. David Heath continued throughout the financial year to work as Acting CEO without salary or expenses and we remain indebted to him for this commitment.

In my statement last year I advised that the club had budgeted to lose approximately £650,000 for the financial year ending 31 May 2009 with the loss being substantially financed by further Matthew Benham loan facilities. The Board had taken the decision to run the club at this level of loss with the intention of gaining promotion and the team manager was supported to the maximum extent possible. Every available penny was ploughed into both the playing budget and playing facilities. I make no apology for repeating that this strategy proved highly successful in a result oriented business.

## **BRENTFORD FC LIMITED**

### **CHAIRMAN'S STATEMENT**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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In the event the group accounts for the year show an operational loss after interest of £422,097 with a net loss (after exceptional items) of £427,767. The operational loss after interest has been substantially reduced from the £613,146 in the previous financial year. Turnover increased by £391,167 and in broad terms the cash from the increased turnover was invested into the playing budget and with the net bank borrowings also reduced during the year by £327,755. The foreshadowed re-organisation of the club shop has resulted in a welcome move to profit on an operational level. The shop is no longer a cash drain and currently generates a net cash contribution.

#### **Lionel Road**

The plans to build a new stadium in Lionel Road have inevitably been delayed by the crisis in the housing market. Our partners in the venture - Barratt Homes - are still keen to progress but will only be able to do so once house prices have picked up making the overall scheme viable. We are still optimistic that we will be playing in a new stadium in Lionel Road in the not too distant future.



**G Dyke (Chairman)**

**Date: 25 November 2009**

## **BRENTFORD FC LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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The directors present their annual report on the affairs of the group together with the financial statements and auditors' report for the year ended 31 May 2009

#### **Principal activity and review of the business**

The group's principal activity during the year continued to be that of a professional Football League club

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

The group's loss for the year after taxation amounted to £428,442 (2008 - Loss £444,588)

Average attendances for the season were 5,707 (2008 - 4,469)

Turnover increased by £391,167 in the year mostly due to higher income from gates and TV and radio facility fees

Net loss from transfer fees were £8,774 (2008 - Profit £117,073)

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

#### **Principal risks and uncertainties**

The key performance indicators detailed above are linked to on the field football performance and League position. The cost base in common with other football clubs is relatively fixed in the short term, hence unfavourable movements in revenue, including those arising from below budget on pitch performance, can lead to significant variation in profits. As for any football club the threat of relegation is also a key business risk and would impact the company both financially and operationally.

#### **Financing risk and going concern**

Directors and senior executives continue to review financing structures and to manage cash flows to ensure that the group remains within its agreed banking facilities and the directors are satisfied that adequate funding arrangements are likely to apply for the next twelve months. The Board continues to maintain a strong relationship with the group's lenders through frequent and open communication. As highlighted in note 15, the group meets its day to day working capital requirements through the overdraft facility which was renewed during July 2009. The next renewal date for the bank facilities is 28 July 2010.

## **BRENTFORD FC LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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##### **Treasury operations and financial instruments**

The group operates a treasury function that is responsible for managing the liquidity, interest, and foreign exchange risks associated with the group'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 group's principal financial instruments include bank overdrafts and loans, used to raise finance for the group's operations, and various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

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

##### **Liquidity risk**

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

##### **Interest rate risk**

The group 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 group places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtors' financial condition. The carrying amount of cash and debtors represent the maximum credit risk that the group 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.

##### **Environment**

Brentford FC recognises the importance of its environmental responsibilities and endeavours to monitor and minimise its impact on the environment. Initiatives applied to minimise the group's impact on the environment include the safe disposal of waste, recycling and reducing energy consumption.

##### **Results and dividends**

The loss for the year, after taxation, amounted to £428,442 (2008 - £444,588). No dividends will be distributed for the year ended 31 May 2009.

##### **Fixed Assets**

Movement in fixed assets are shown in note 9 to the financial statements.

## **BRENTFORD FC LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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##### **Political and charitable donations**

During the year group made charitable donations of £Nil (2008 - £Nil)

##### **Directors and their interests**

The directors who served during the year were as follows

G Dyke (Chairman)

E B Rogers

J P Herting

A A Bird

D L Merritt

D J Heath

D J Kerr                      Appointed 29/01/2009

P A Whall                    Appointed 24/06/2009

J C Gosling                Resigned 30/01/2009

R C Esteva                 Resigned 22/05/2009

I G Jones                  Resigned 01/09/2009

##### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary



**BRENTFORD FC LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2009**

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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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

**Auditors**

Levy + Partners Limited have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming AGM.

This report was approved by the Board on 25 November 2009 and signed on its behalf by



**On behalf of the Board**  
**A A Bird**  
**Director**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRENTFORD FC LIMITED  
FOR THE YEAR ENDED 31 MAY 2009**

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We have audited the financial statements of Brentford FC Limited for the year ended 31 May 2009 which comprise the group profit and loss account, the group and parent company balancesheets, the group cash flow statement, the group statement of total recognised gains and losses and the related notes on pages 15 - 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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**

The directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2009 and the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of Matter - Going Concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss during the year ended 31 May 2009 and, at that date, the group's current liabilities exceeded its current assets. These conditions, along with other matters as set forth in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and company's ability to continue as a going concern. The financial statements do not include any adjustments that would result from a failure to continue as a going concern. Details of the circumstances relating to this emphasis of matter are described in Note 1. Our opinion is not qualified in this respect.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRENTFORD FC LIMITED  
FOR THE YEAR ENDED 31 MAY 2009**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Arvind Joshi FCA CTA DChA (Senior Statutory Auditor)  
for and on behalf of Levy + Partners Limited  
Chartered Accountants and Statutory Auditors  
86/88 South Ealing Road  
Ealing  
London  
W5 4QB**

**Date: 25 November 2009**

**BRENTFORD FC LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MAY 2009**

		<b>2009</b>	<b>2008</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		3,048,871	2,657,704
Revenue costs		(2,764,503)	(2,572,613)
<b>Gross profit</b>		284,368	85,091
Administrative expenses		(662,203)	(645,752)
<b>Operating loss</b>	<b>2</b>	(377,835)	(560,661)
Exceptional items	<b>3</b>	(8,774)	167,073
<b>Loss on ordinary activities before interest</b>		(386,609)	(393,588)
Other interest receivable and similar income	<b>4</b>	3,104	2,045
Interest payable and similar charges	<b>7</b>	(44,262)	(52,485)
<b>Loss on ordinary activities before taxation</b>		(427,767)	(444,028)
Tax on loss on ordinary activities	<b>8</b>	-	-
<b>Loss for the year</b>		(427,767)	(444,028)
Equity Minority interests		(675)	(560)
<b>Loss for the year</b>	<b>19</b>	(428,442)	(444,588)
Accumulated loss brought forward		(6,305,903)	(5,861,315)
<b>Accumulated loss carried forward</b>		(6,734,345)	(6,305,903)

All of the Group's activities in the above two financial years are derived from continuing operations

**The notes on pages 15 to 29 form an integral part of these financial statements.**

**BRENTFORD FC LIMITED****GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31 MAY 2009**

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	Notes	2009 £	2008 £
Loss for the financial year		(428,442)	(444,588)
Expenditure on stadium improvements, net of grant receivable	18	<u>(8,630)</u>	<u>(5,102)</u>
Total recognised gains and losses relating to the year	20	<u><u>(437,072)</u></u>	<u><u>(449,690)</u></u>

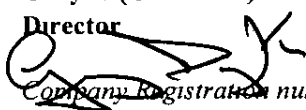
**BRENTFORD FC LIMITED****GROUP BALANCE SHEET****AT 31 MAY 2009**

		<b>2009</b>		<b>2008</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>9</b>		10,067,754		10,128,798
<b>Current assets</b>					
Stocks	<b>11</b>	68,968		42,758	
Debtors	<b>12</b>	411,408		301,120	
Cash at bank and in hand		64,843		7,630	
		<u>545,219</u>		<u>351,508</u>	
<b>Creditors: amounts falling due within one year</b>	<b>13</b>	<u>(2,428,713)</u>		<u>(2,361,724)</u>	
<b>Net current liabilities</b>			<u>(1,883,494)</u>		<u>(2,010,216)</u>
<b>Total assets less current liabilities</b>			8,184,260		8,118,582
<b>Creditors: amounts falling due after more than one year</b>	<b>14</b>		<u>(7,193,419)</u>		<u>(6,691,344)</u>
<b>Net assets</b>			<u>990,841</u>		<u>1,427,238</u>
<b>Capital and reserves</b>					
Called up share capital	<b>17</b>		2,000		2,000
Revaluation reserve	<b>18</b>		7,721,950		7,730,580
Profit and loss account	<b>19</b>		<u>(6,734,345)</u>		<u>(6,305,903)</u>
<b>Members' funds</b>	<b>20</b>		989,605		1,426,677
<b>Equity Minority interest</b>	<b>25</b>		<u>1,236</u>		<u>561</u>
<b>Total capital employed</b>			<u>990,841</u>		<u>1,427,238</u>

The financial statements were approved by the Board on 25 November 2009 and signed on its behalf by

**G Dyke (Chairman)**

**Director**



Company registration number 3642327

**The notes on pages 15 to 29 form an integral part of these financial statements.**

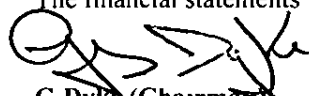
**BRENTFORD FC LIMITED**

**COMPANY BALANCE SHEET**

**AT 31 MAY 2009**

	Notes	2009		2008	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		10,067,754		10,128,798
Investments	10		99		99
			<u>10,067,853</u>		<u>10,128,897</u>
<b>Current assets</b>					
Stocks	11	68,968		42,758	
Debtors	12	402,371		350,694	
Cash at bank and in hand		5,350		7,630	
		<u>476,689</u>		<u>401,082</u>	
<b>Creditors: amounts falling due within one year</b>	13	(2,483,711)		(2,467,330)	
<b>Net current liabilities</b>			<u>(2,007,022)</u>		<u>(2,066,248)</u>
<b>Total assets less current liabilities</b>			8,060,831		8,062,649
<b>Creditors amounts falling due after more than one year</b>	14		<u>(7,193,419)</u>		<u>(6,691,344)</u>
<b>Net assets</b>			<u>867,412</u>		<u>1,371,305</u>
<b>Capital and reserves</b>					
Called up share capital	17		2,000		2,000
Revaluation reserve	18		7,721,950		7,730,580
Profit and loss account	19		<u>(6,856,538)</u>		<u>(6,361,275)</u>
<b>Members' funds</b>			<u>867,412</u>		<u>1,371,305</u>

The financial statements were approved by the Board on 25 November 2009 and signed on its behalf by

  
**G Dyke (Chairman)**  
**Director**

Company Registration number 3642327

**The notes on pages 15 to 29 form an integral part of these financial statements.**

**BRENTFORD FC LIMITED**

**GROUP CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MAY 2009**

	Notes	2009 £	2008 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
<b>Operating loss</b>		(377,835)	(560,661)
Reconciliation to cash generated from operations			
Depreciation		78,240	77,020
Profit on disposal of fixed assets		(301)	-
Parachute payment		-	50,000
(Increase) / Decrease in stocks		(26,210)	(10,472)
(Increase) / Decrease in debtors		(110,288)	64,458
(Increase) / Decrease in minority shares		675	561
Increase / (Decrease) in creditors		263,583	(231,958)
Net cash outflow from operating activities		(172,136)	(611,052)
<b>Cash from other sources</b>			
Return on investments and servicing of finance	22	(41,158)	(50,440)
Minority interest		(675)	(560)
Capital expenditure	22	(34,299)	110,378
		(76,132)	59,378
(Decrease) / increase in cash in the period		(248,268)	(551,674)
Repayment regarding financing		-	-
	23	(248,268)	(551,674)
(Decrease) / increase in cash in the period	23	(248,268)	(551,674)
Decrease / (increase) in debt and lease financing		-	-
Change in net debt	23	(248,268)	(551,674)
Net debt at 1 June 2008	23	(7,869,200)	(7,317,526)
Net debt at 31 May 2009	23	(8,117,468)	(7,869,200)



## **BRENTFORD FC LIMITED**

### **NOTES TO THE AUDITED FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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#### **1. Statement of Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below. They have been applied consistently throughout the year and the preceding year.

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention as modified to include the revaluation of certain fixed assets.

##### **1.2. Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking drawn up to 31 May 2009. The results of subsidiaries acquired are consolidated for periods from or to date on which control passed. Acquisitions are accounted for under the acquisition method.

##### **1.3. Turnover and revenue recognition**

Turnover represents gate receipts and related income, receipts from the Football League and Football Association and sponsorship and promotional income.

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

The revenue is recognised for the services as the services are performed.

##### **1.4. Going concern**

The group manages its working capital requirement through bank overdraft facilities which are repayable on demand. The current facility is due to be reviewed in January 2010.

The directors have prepared cash flow forecasts for the 12 months to November 2010 which rely upon the continued support of the bank. On this basis the Directors consider it appropriate to prepare the accounts on the going concern basis, although inherently there can be no certainty with these matters.

In the event the bank facilities are not renewed, alternative financing would need to be found for the company and group to continue as a going concern and the Directors continue to explore opportunities for finance from both external and internal sources.

The accounts do not include any adjustment that would result in the company being unable to continue as a going concern.

## **BRENTFORD FC LIMITED**

### **NOTES TO THE AUDITED FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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##### **1.5. Intangible fixed assets**

The transfer costs of obtaining the services of a player are capitalised and amortised where relevant on a straight line basis over the period of a 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.

##### **1.6. Tangible fixed assets and depreciation**

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

Plant and equipment	-	20% on cost
Fixture and fittings	-	25% on cost
Computer equipment	-	25% on cost
Motor vehicles	-	20% on cost

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

The group's freehold land and buildings are maintained in such a condition that its residual value is not diminished by the passage of time. Expenditure to maintain or improve the property is charged to the profit and loss account or 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.

##### **Impairment**

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

## **BRENTFORD FC LIMITED**

### **NOTES TO THE AUDITED FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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**1.7. Stock**

Stock is valued at the lower of cost and net realisable value, making due allowance for obsolete and slow moving items

**1.8 Deferred taxation**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing difference reverse, based on current tax rates and laws.

Deferred tax is not provided on timing difference arising from the valuation of fixed assets where there is no commitment to sell the asset.

**1.9. Deferred income**

Income from matchday activity, media and commercial contracts which have been received prior to the year end in respect of future football seasons is treated as deferred income.

**1.10. Grants received**

Grants received for youth development 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. Grants for improvements to the football stadium have been netted from the capital expenditure incurred and transferred to the revaluation reserve.

**1.11 Leasing commitments**

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

**1.12. Pensions**

The company operates a defined contribution scheme for the benefits 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. There were no amounts outstanding at the year end.

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

<b>2. Operating loss</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
The operating loss is stated after charging		
Depreciation of owned fixed assets	78,240	77,020
Operating lease rental - land and buildings	25,000	25,000
Auditors' remuneration (Note 2.1 below)	17,935	13,806
	<u>121,175</u>	<u>115,826</u>
 <b>2.1 Auditors' remuneration</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
Audit fee	12,935	13,806
Other services	5,000	-
	<u>17,935</u>	<u>13,806</u>
 <b>3. Exceptional items</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
Profit on disposal of player registrations	47,976	150,000
Transfer fee - purchases	(56,750)	(32,927)
Parachute Payment	-	50,000
	<u>(8,774)</u>	<u>167,073</u>
 <b>4 Interest receivable and similar income</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
Bank interest	<u>3,104</u>	<u>2,045</u>
 <b>5. Directors' remuneration</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
Remuneration	-	-
Pensions contributions	-	-
	<u>-</u>	<u>-</u>

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

<b>6.</b>	<b>Staff costs</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	2,170,207	1,974,920
	Social security costs	174,903	161,173
	Other pension costs	4,351	4,959
		<u>2,349,461</u>	<u>2,141,052</u>
	<b>Staff costs are attributable as follows</b>		
	Administration and commercial staff	299,504	294,485
	Playing, training and ground staff	2,049,957	1,846,567
		<u>2,349,461</u>	<u>2,141,052</u>
	<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
	Administration and commercial staff	17	14
	Playing, training and ground staff	50	48
		<u>67</u>	<u>62</u>
	The group also employs a significant number of staff on matchdays		
<b>7</b>	<b>Interest payable and similar charges</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	18,012	26,235
	Other loans	26,250	26,250
		<u>44,262</u>	<u>52,485</u>
<b>8</b>	<b>Tax on loss on ordinary activities</b>		
	No liability to UK Corporation tax arose on ordinary activities for the year ended 31 May 2009 or for the year ended 31 May 2008		

**BRENTFORD FC LIMITED**

**NOTES TO THE AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2009**

<b>9</b>	<b>Tangible fixed assets</b>	<b>Freehold land and buildings</b>	<b>Plant and equipment</b>	<b>Fixtures, fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Group and company Cost/revaluation</b>					
	At 1 June 2008	10,000,000	273,286	353,987	6,200	10,633,473
	Additions	-	20,145	-	-	20,145
	Disposals	-	(10,498)	-	-	(10,498)
	At 31 May 2009	10,000,000	282,933	353,987	6,200	10,643,120
	<b>Depreciation</b>					
	At 1 June 2008	-	223,443	277,512	3,720	504,675
	On disposals	-	(7,549)	-	-	(7,549)
	Charge for the year	-	37,336	39,664	1,240	78,240
	At 31 May 2009	-	253,230	317,176	4,960	575,366
	<b>Net book values</b>					
	At 31 May 2009	10,000,000	29,703	36,811	1,240	10,067,754
	At 31 May 2008	10,000,000	49,843	76,475	2,480	10,128,798

Freehold land at valuation included above not depreciated 10,000,000

Freehold land and buildings	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Historical cost	2,043,663	2,043,663
Cumulative depreciation based on historical cost	Nil	Nil

Cost or valuation at 31 May 2009 is represented by

	<b>Freehold land and buildings</b>	<b>Plant and equipment</b>	<b>Fixtures, fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revaluation in 2002	5,127,242	-	-	-	5,127,242
Revaluation in 2005	2,829,095	-	-	-	2,829,095
Cost	2,043,663	282,933	353,987	6,200	2,686,783
	10,000,000	282,933	353,987	6,200	10,643,120

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

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

<b>10. Fixed asset investments</b>	<b>Subsidiary undertaking shares £</b>	<b>Total £</b>
<b>Principal group investments</b>		
<b>Cost</b>		
At 1 June 2008		-
At 31 May 2009	99	99
<b>Net book values</b>		
At 31 May 2009	99	99
At 31 May 2008	99	99

The company's investment in its subsidiary undertaking represents the cost of 99 Ordinary Shares of Brentford FC (Lionel Road) Limited incorporated in England and Wales, which will progress the developments of a new stadium for the company. This was the only subsidiary undertaking which has been included in the consolidation.

On 28 June 2007, the company acquired 99% of the issued share capital of Brentford FC (Lionel Road) Limited for consideration comprising the issue of 99 ordinary shares of £1 each in the company.

<b>11. Stocks</b>	<b>2009</b>	<b>2008</b>
<b>Group and company</b>	<b>£</b>	<b>£</b>
Merchandise	68,968	42,758

<b>12 Debtors</b>	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	178,705	202,792	96,054	152,366
Amounts owed by group undertakings	-	-	100,525	100,000
Other debtors	14,346	2,000	14,346	2,000
Prepayments and accrued income	218,357	96,328	191,446	96,328
	<u>411,408</u>	<u>301,120</u>	<u>402,371</u>	<u>350,694</u>

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

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13. Creditors: amounts falling due within one year	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Bank loans and overdrafts (secured note 15)	-	263,262	126,317	408,160
Trade creditors	308,777	189,482	269,849	153,565
Other taxes and social security costs	160,099	100,946	158,689	99,696
Other creditors	1,651	12,094	1,651	12,094
Accrued expenses	439,717	336,248	408,736	334,123
Deferred income	518,469	450,852	518,469	450,852
Amount owed to group undertakings	1,000,000	1,000,000	1,000,000	1,000,000
Payment on account of long term contract	-	8,840	-	8,840
	<u>2,428,713</u>	<u>2,361,724</u>	<u>2,483,711</u>	<u>2,467,330</u>
14. Creditors: amounts falling due after more than one year	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Other loans	4,309,608	4,309,608	4,309,608	4,309,608
Deferred income	11,108	77,776	11,108	77,776
Amount owed to group undertakings	2,872,703	2,303,960	2,872,703	2,303,960
	<u>7,193,419</u>	<u>6,691,344</u>	<u>7,193,419</u>	<u>6,691,344</u>



# **BRENTFORD FC LIMITED**

## **NOTES TO THE AUDITED FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MAY 2009**

15. Loans (secured)	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Loans repayable within one year or on demand				
Bank overdraft	-	263,262	126,317	408,160
Loan from ultimate parent undertaking	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,263,262</u>	<u>1,126,317</u>	<u>1,408,160</u>
Loans between one and two years				
Other loans	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Loan repayable between two and five years				
Loan from ultimate parent undertaking	1,175,000	595,000	1,175,000	595,000
Other loans	930,132	1,930,132	930,132	1,930,132
Directors loan	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
	<u>2,455,132</u>	<u>2,875,132</u>	<u>2,455,132</u>	<u>2,875,132</u>
Loans not wholly repayable within five years				
Other loan - 12 years term	2,029,476	2,029,476	2,029,476	2,029,476
Loans from ultimate parent undertaking	80,000	80,000	80,000	80,000
Loans from ultimate parent undertaking	312,911	312,911	312,911	312,911
Loans from ultimate group undertakings	1,300,000	1,300,000	1,300,000	1,300,000
Loans from ultimate group undertakings	<u>4,792</u>	<u>16,049</u>	<u>4,792</u>	<u>16,049</u>
	<u>3,727,179</u>	<u>3,738,436</u>	<u>3,727,179</u>	<u>3,738,436</u>
Analysis of maturity of debt				
Within one year or on demand	1,000,000	1,263,262	1,126,317	1,408,160
Between one and two years	1,000,000	-	1,000,000	-
Between two and five years	2,455,132	2,875,132	2,455,132	2,875,132
After five years	<u>3,727,179</u>	<u>3,738,436</u>	<u>3,727,179</u>	<u>3,738,436</u>
	<u>8,182,311</u>	<u>7,876,830</u>	<u>8,308,628</u>	<u>8,021,728</u>

A bank overdraft facility of £500,000 is secured by a first legal charge over the group's freehold property and guarantee provided by Griffin Park Stadium Limited and Brentford Football Community Society Limited (Bees

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

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

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009****16 Deferred taxation**

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

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revaluation of freehold property	2,223,695	2,220,278	2,223,695	2,220,278
Accelerated capital allowances	(86,171)	(62,789)	(86,171)	(62,789)
Tax losses carried forward	(1,633,294)	(1,507,993)	(1,653,542)	(1,524,773)
Undiscounted provision for deferred tax	<u>504,230</u>	<u>649,496</u>	<u>483,982</u>	<u>632,716</u>

The deferred tax liability of £2,223,695 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

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

<b>17 Called up share capital</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
<b>Authorised</b>				
Ordinary shares of 1p each	200,000	200,000	2,000	2,000
Special share of 1p	1	1	-	-
			<u>2,000</u>	<u>2,000</u>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 1p each	200,000	200,000	2,000	2,000
Special share of 1p	1	1	-	-
			<u>2,000</u>	<u>2,000</u>

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

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

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<b>18</b>	<b>Revaluation reserve</b>			<b>2009</b>	<b>2008</b>
	<b>Group and company</b>			<b>£</b>	<b>£</b>
	<b>At 1 June 2008</b>			(7,730,580)	(7,735,682)
	<b>Charged during the year</b>			(8,630)	(5,102)
	<b>At 31 May 2009</b>			<u>(7,721,950)</u>	<u>(7,730,580)</u>
<b>19.</b>	<b>Profit and loss account</b>	<b>Group</b>		<b>Company</b>	
	<b>Group and company</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>At 1 June 2008</b>	(6,305,903)	(5,861,315)	(6,361,275)	(5,861,315)
	<b>Loss for the year</b>	(428,442)	(444,588)	(495,263)	(499,960)
	<b>At 31 May 2009</b>	<u>(6,734,345)</u>	<u>(6,305,903)</u>	<u>(6,856,538)</u>	<u>(6,361,275)</u>
<b>20</b>	<b>Reconciliation of movements in shareholders' funds</b>			<b>2009</b>	<b>2008</b>
				<b>£</b>	<b>£</b>
	<b>Loss for the year</b>			(428,442)	(444,588)
	<b>Other recognised gains or losses</b>			(8,630)	(5,102)
	<b>Net addition to shareholders' funds</b>			(437,072)	(449,690)
	<b>Opening shareholders' funds</b>			<u>1,426,677</u>	<u>1,876,367</u>
	<b>Closing shareholders' funds</b>			<u>989,605</u>	<u>1,426,677</u>

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

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**21. Commitments**

At 31 May 2009, capital expenditure commitments were as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for in the accounts	<u>-</u>	<u>38,875</u>

**Lease commitments**

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

	<b>Land and buildings 2009 £</b>	<b>Land and buildings 2008 £</b>
Operating leases which expires within two to five years	<u>25,000</u>	<u>25,000</u>

**22. Gross cash flows**

	<b>2009 £</b>	<b>2008 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	3,104	2,045
Interest paid	(44,262)	(52,485)
	<u>(41,158)</u>	<u>(50,440)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed asset	(20,145)	(1,593)
Expenditure charged to the revaluation reserve	(8,630)	(5,102)
Receipts from sales of intangible fixed assets	47,976	150,000
Transfer fee - purchases	(56,750)	(32,927)
Receipts from sales of tangible fixed assets	3,250	-
	<u>(34,299)</u>	<u>110,378</u>

**BRENTFORD FC LIMITED****NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2009**

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**23. Analysis of changes in net debt**

	<b>At 1 June 2008</b>	<b>Cash flows</b>	<b>At 31 May 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	152,528	38,632	191,160
Overdrafts	(408,160)	281,843	(126,317)
	<u>(255,632)</u>	<u>320,475</u>	<u>64,843</u>
Debt due within one year	(1,000,000)	-	(1,000,000)
Debt due after one year	(6,613,568)	(568,743)	(7,182,311)
	<u>(7,613,568)</u>	<u>(568,743)</u>	<u>(8,182,311)</u>
<b>Net funds</b>	<u><u>(7,869,200)</u></u>	<u><u>(248,268)</u></u>	<u><u>(8,117,468)</u></u>

## **BRENTFORD FC LIMITED**

### **NOTES TO THE AUDITED FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MAY 2009**

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#### **24. Related party transactions**

On the 25 June 2001 the group 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 Herting and a loan from a group undertaking of £250,000 from Altonwood Limited, were assigned from Griffin Park Stadium Limited to the group as part consideration of the £1,800,000. Both loans were secured by a legal charge over the group's freehold property. The Altonwood loan was waived in January 2007.

Payment of the balance of £1,300,000 due to Griffin Park Stadium was initially deferred for five years and left as an interest free loan secured by a legal charge over the group's freehold property. An additional unsecured balance of £4,792 (2008 - £16,049) is owed to Griffin Park Stadium Limited.

Brentford Football Community Society Limited (Bees United) the ultimate parent undertaking acquired the majority shareholding in the company and Griffin Park Stadium Limited from Altonwood Limited on 21 January 2006. As a consequence of this transaction, settlement of the intra-group loan due from the group to Griffin Park Stadium Limited has been deferred for an unspecified term and Mr J Herting has extended the term of loan to the company for a period of five years.

Mr E Rogers has made an interest free loan of £100,000 to the group 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 21 January 2006.

Brentford Football Community Society Limited (Bees United) the ultimate parent undertaking is incorporated under the Industrial and Provident Societies Act 1965-1978 composed of approximately 2000 members that each hold one member share in the society.

Bees United has made loans totalling £2,567,911 (2008 - £1,987,911) to the group at the year end of which £2,175,000 (2008 - £1,595,000) is secured by legal charges over the group's freehold property.

Mr M Benham, who is represented on the board of directors, has made loans to the group of £3,459,608 that are secured by a legal charge over the group's freehold property.

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

**BRENTFORD FC LIMITED**

**NOTES TO THE AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2009**

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**25 Equity Minority Interests**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At 1 June 2008	561	-
Profit on ordinary activities after taxation	675	560
Minority shareholding	-	1
At 31 May 2009	<u>1,236</u>	<u>561</u>

**26 Controlling interest**

The ultimate parent undertaking is Brentford Football Community Society Limited (Bees United), a society registered under the Industrial and Provident Societies Acts 1965-1978