

Registration number: 03642327

BRENTFORD FC LIMITED
GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014



BRENTFORD FC LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

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BRENTFORD FC LIMITED

COMPANY INFORMATION

FOR THE PERIOD ENDED 30 JUNE 2014

| | |
|-------------------|---|
| Directors | C Crown FCA (Chairman) D G Kerr (Vice Chairman) D L Merritt P A Whall M J Power N S Raj |
| Secretary | L Hall |
| Company Number | 03642327 |
| Registered Office | Griffin Park Braemar Road Brentford Middlesex TW8 0NT |
| Registrars | Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU |
| Auditors | Levy + Partners Limited Chartered Accountants and Statutory Auditors 7-8 Ritz Parade Western Avenue London W5 3RA |
| Bankers | Barclays Bank PLC 7th Floor United Kingdom House 180 Oxford Street London W1D 1EA |

BRENTFORD FC LIMITED

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

Chairman's statement

My first full season as Chairman has been a momentous one for the Club, and one in which major steps were taken on many fronts to achieve our long term aims. Automatic promotion to the Championship consigned the almost surreal events and ultimate disappointment of the climax to the 2012/13 season to history.

Executive Summary

November saw the official opening of our state of the art indoor Academy facility and the tangible evidence of our groundbreaking partnership with Uxbridge Academy. And within a month, in early December, we were granted provisional planning permission for our proposed new stadium at Lionel Road. The euphoria of that evening at the Civic Centre, attended by over 500 of our fans, gave way within hours to slight concern at the news that our manager, Uwe Rosler, had decided to move to Wigan Athletic. However, the swift appointment of Mark Warburton, the Club's Sporting Director as his successor ensured that continuity prevailed on and off the pitch, and Mark and his new management team steered us to ultimate success on Good Friday against Preston. Huge credit must go to every one of the backroom staff, and all of the people who ensured that the team were fully prepared for every match in every regard - diet, kit, fitness, competitive analysis, etc , down to the finest detail, to achieve promotion.

This dedication also applies to the non-playing staff at the club, whether through our dedicated ticket sales team, through to the finance, marketing and match day staff, led superbly by our CEO Mark Devlin, we all should be proud of what has been achieved - and hungry for more.

The Season

Our fans know more than most about the risk of a play-off hangover but there were few signs of it as the season kicked off. The quality of our football, so often remarked upon in the previous season, only improved throughout 2013/14, and, despite some early hiccups, most notably at Stevenage in October, we were always in the promotion race. The clear single minded focus on that race, with the early exits from all Cup competitions, may have disappointed some, but, notwithstanding the excitement of playing Chelsea home and away in 2012/13, I believe it was important for the Club's long term future to gain promotion as soon as possible. The proof, if we needed it, was immediately felt in the sales of season tickets, rising from just over 2800 in League 1 to over 5,500 for the new season in the Championship. Brentford FC has not been in the Championship for 22 long years and has been in League 2 on a couple of occasions in the intervening period but our fans have been magnificent throughout. We were keen to show our gratitude for that loyalty in the affordable pricing of tickets for this first season at a higher level and believe that sales have justified our judgement of what was fair.

BRENTFORD FC LIMITED

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

Football Management Team

On the football side, Mark Warburton recruited David Weir, the multi-capped Scottish defender and former head of Everton's Academy as his assistant, and the Club also appointed Frank McParland, who had been head of recruitment at Liverpool FC for many years, as Sporting Director. The impact of this new team was quickly felt across the Club and their common interest and experience in developing young talent will, I am sure, prove immensely beneficial in the longer term too. The Brentford FC business plan depends on having a successful Academy which produces players on a regular basis for the first team. So, as well as helping recruit the talent we need now to compete in the Championship, Frank is also working hard with Ose Aibangee to ensure that we are doing everything possible to fulfil that plan. We have already seen Charlie Adams and Josh Clarke deservedly make their move into the first team squad towards the end of last season and there appear to be several more pushing for the same promotion. Clearly, the Club's move into the Championship will raise the standard expected at every level in the Academy but, with the improvements at Jersey Road to our training facilities and the attention of the first class back room staff who attend to all our players, there is every reason for confidence in this aspect of the Club.

Finances

The accounts for the year under review show an operational loss of £8,026,322 (2013 - £4,298,429) with a net loss of £8,747,777 (2013 - £4,454,513). This loss has been financed mostly through the purchase by Matthew Benham of Non-Voting preference shares and to a lesser extent the provision of a series of limited recourse loans specifically to fund the academy expenditure.

Matthew Benham's total commitment to the club as at 30 June 2014 was £46,413,013 (2013 - £30,575,338). These figures are historical and have now been overtaken by subsequent events.

On 27th February 2014 the balance of shares not held by Matthew (less than 4%) were acquired so that Matthew now owns 100% of the club, which seems entirely appropriate for a man who has invested such large sums of money into the football club.

Post End of Season Events

Our promotion to the Championship brings with it a range of new challenges, both on and off the pitch, and every aspect of the business will have to adapt to meet those challenges. The Board of directors are currently working on the development of a long term strategy, ensuring that each element of the business is focused on contributing to the maximum effect on achieving our aims for a sustainable football club. I believe we have a good and appropriate mix of skills and expertise on the board, and we are fortunate to have a board who give a great deal of time to the affairs of the Club, entirely without remuneration. As we develop the strategy we will ensure that any gaps in our expertise will be filled by recruitment to our board.

BRENTFORD FC LIMITED

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

There was a change to the composition of the board just after the end of the financial period with John Herting, Eddie Rogers, Alan Bird and David Heath stepping down. I'd like to re-iterate my personal thanks and the gratitude of the Club as a whole for everything these individuals contributed over many years. We are fortunate, with Matthew Benham's continuing support, to be financially stable as a business but Alan, Eddie John and David have seen us through much rougher times and we should be in no doubt as to the debt of gratitude owed to them all. They continue, as Associate Directors, to act as ambassadors for the Club.

The Executive Team is responsible for running the Club on a daily basis. The Team is appointed by the Board and is chaired by Mark Devlin (CEO). Members of the Team also include Cliff Crown (Chairman), Phil Whall (Director), Bob Lampert (FD), Lisa Hall (BFC Club Secretary), Mark Warburton (Club Manager), Frank McParland (Sporting Director) and Ose Aibangee (Academy head).

The Executive Team has had the responsibility for the day to day running of the club delegated to it by the board in accordance with comprehensive Policies and Procedures documentation, setting out amongst other things appropriate authorisation levels, and appropriate signatories to approve set levels of expenditure and commitment on behalf of the club. In my view, and that of the board, the management of the Club is run professionally with the full board providing appropriate oversight on the Club's activities and the actions of the Executive Team.

Lionel Road

Provisional planning permission in respect of our proposals for Lionel Road was granted in December 2013. This was followed by approval by the London Mayor's office and that of the Secretary of State, Eric Pickles. A "S106" agreement (which sets out the club's obligations to provide contributions to the local area as a condition of the grant of planning permission) was agreed with the local authority in June and with no objections lodged within the six week judicial review period, the 25th July 2014 signalled the point at which the planning permission was confirmed. Negotiations to purchase two parcels of land alongside the stadium site are well advanced, and we fully expect to be on site in mid 2015, with a target date of playing our first game in the new stadium early in the 2017/2018 season.

I would like to extend the Board's sincerest thanks to the Lionel Road team who have worked tirelessly for a long time, but particularly over the last few months leading up to and following the planning meeting in December. That evening was one of my proudest moments yet as chairman, as the whole Brentford Football Club's family came together, the Club, the Community Sports Trust, the Lionel Road team, and so importantly, hundreds of fans, to support our claim to be a club deserving of the chance to grow our business and our contribution to our local community. The track record of our Community Sports Trust, once again, the Football League Community Club of the Year, was a decisive factor in the decision to award us permission and we are grateful to Lee Doyle and his team for their support too, and the fantastic work they do in the community.

BRENTFORD FC LIMITED

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

Conclusion

At this time last year, I recorded that our Business Plan over the next few years envisaged steady and sustained progress with Championship football being played in our new stadium and with a stream of youngsters from the Academy playing for the Development Squad and pressing for a first team place. 12 months later we are still on course and considerably further down the way to achieving that plan. The Club has just celebrated its 125th anniversary, and does so at a time when its future is more secure and positive than it has been for many years.

As I write this we are over one third of the way through the season and lying in sixth place only four points off the top. It looks like this year the Championship will be incredibly competitive, but Brentford have shown that we deserve to be there and that we will give a good account of ourselves.

I am particularly heartened by the support of the fans and their belief in the team even after away defeats. We all know how fantastic it is for us as fans for our Club to have earned its place in the Championship and how impressed we are with the quality of the football that is being played. Let's hope we can all enjoy the rest of the season!



C Crown FCA (Chairman)

Date: 21 November 2014

BRENTFORD FC LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

The directors present their annual report on the affairs of the group together with the financial statements and auditors' report for the period ended 30 June 2014.

Principal activity and review of the business

The group's principal activity during the period continues to be that of a professional football club as a member of the Football Association and the Football League.

Change of accounting period

During the period covered by the accounts, the accounting year end was changed from the end of May to June.

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

The group's loss for the period after taxation amounted to £8,747,181 (2013 - Loss £4,454,461).

Average league attendances for the season were 7,728 (2013 - 6,645).

Turnover decreased by £614,736 in the period mostly due to a decrease in Cup Competition income and related associated income.

Net expenditure on transfer fees was £721,455 (2013 - £156,084) as shown in exceptional items. A further £630,000 was spent and capitalised under intangible assets.

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, and reliance upon the support of the owner to fund the losses.

At the period end, the group had net bank balances of £3,455,597 (2013 - £480,201).

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 in place 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 1.4, the group meets its day to day working capital requirements through the funding provided by the owner and where necessary, an overdraft facility which was renewed during March 2014. The next renewal date for the bank facilities is in March 2015. As such the Board consider Brentford FC to be a going concern.

BRENTFORD FC LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

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

The group 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 period to June 2014, after taxation, amounted to £8,747,181 (2013 - £4,454,461). No dividends will be distributed for the period ended 30 June 2014.

Fixed Assets

Movement in fixed assets are shown in notes 8 - 10 to the financial statements.

BRENTFORD FC LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

Impairment review

The Group has carried out an informal valuation of the freehold land and buildings of Griffin Park as set out in note 9 to the accounts. The directors are of the opinion that the Group's properties at Griffin Park stated at the valuation of £10 million and at Lionel Road at the cost of £12,539,403 are fairly stated.

Political and charitable donations

During the period the group made charitable donations of £108,934 (2013 - £50,000).

Directors and their interests

The directors who served during the period were as follows:

| | |
|--------------------------|--|
| C Crown FCA (Chairman) | (Appointed director on 26 July 2012 and chairman on 3 June 2013) |
| G Dyke | (Resigned on 3 June 2013) |
| E B Rogers | (Resigned 4 July 2014) |
| J P Herting | (Resigned 4 July 2014) |
| D G Kerr (Vice Chairman) | |
| D J Heath | (Resigned 4 July 2014) |
| D L Merritt | |
| P A Whall | |
| A A Bird | (Resigned 4 July 2014) |
| M J Power | (Appointed 17 September 2014) |
| N S Raj | (Appointed 17 September 2014) |

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to:

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

BRENTFORD FC LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 the group 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 corporate and financial information included on 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 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 21 November 2014 and signed on its behalf by:



P A Whall
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRENTFORD FC LIMITED
FOR THE PERIOD ENDED 30 JUNE 2014

We have audited the financial statements of Brentford FC Limited for the period ended 30 June 2014 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement and the related notes on pages 12 - 32. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8 - 9, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Basis for qualified opinion on financial statements

The group did not carry out a full revaluation of the freehold property shown in the group's and the parent company's balance sheet which is required every five years under Financial Reporting Standard 15: Tangible Fixed Assets. The financial statements do not include any adjustments that would have been found necessary had the full revaluation been carried out.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2014 and of the group's loss for the period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRENTFORD FC LIMITED
FOR THE PERIOD ENDED 30 JUNE 2014

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.4 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss of £8,747,777 during the period ended 30 June 2014 and, at that date, the group's current liabilities exceeded its current assets by £1,915,154. These conditions, along with other matters explained in Note 1.4 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

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
7-8 Ritz Parade
Western Avenue
London
W5 3RA

Date: 21 November 2014

BRENTFORD FC LIMITED**GROUP PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 30 JUNE 2014**

| | | Period ended 30/06/14 | Year ended 31/05/13 |
|--|--------------|--------------------------------------|------------------------------------|
| | Notes | £ | £ |
| Turnover | | 3,285,965 | 3,900,701 |
| Revenue costs | | (13,651,755) | (7,502,702) |
| Gross loss | | (10,365,790) | (3,602,001) |
| Administrative expenses | | (1,603,147) | (1,211,945) |
| Other operating income | | 3,942,615 | 541,767 |
| Operating loss | 2 | (8,026,322) | (4,272,179) |
| Exceptional items | 3 | (721,455) | (156,084) |
| Loss on ordinary activities before interest | | (8,747,777) | (4,428,263) |
| Interest payable and similar charges | 6 | - | (26,250) |
| Loss on ordinary activities before taxation before taxation | | (8,747,777) | (4,454,513) |
| Tax on loss on ordinary activities | 7 | - | - |
| Loss for the period | | (8,747,777) | (4,454,513) |
| Equity Minority interests | 26 | 596 | 52 |
| Loss for the year | 20 | (8,747,181) | (4,454,461) |
| Accumulated loss brought forward | | (21,480,479) | (17,026,018) |
| Accumulated loss carried forward | | (30,227,660) | (21,480,479) |

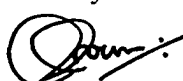
All of the Group's activities in the above two financial periods relates to continuing operations.

The notes on pages 16 to 32 form an integral part of these financial statements.

BRENTFORD FC LIMITED**GROUP BALANCE SHEET****AT 30 JUNE 2014**

| | | 30/06/14 | | 31/05/13 | |
|--|--------------|------------------|-------------------|------------------|-------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 8 | | 630,000 | | - |
| Tangible assets | 9 | | 25,148,142 | | 20,760,328 |
| | | | <u>25,778,142</u> | | <u>20,760,328</u> |
| Current assets | | | | | |
| Stocks | 12 | 233,900 | | 39,907 | |
| Debtors | 13 | 842,136 | | 609,116 | |
| Cash at bank and in hand | | 3,464,970 | | 489,463 | |
| | | <u>4,541,006</u> | | <u>1,138,486</u> | |
| Creditors: amounts falling due within one year | 14 | (6,456,160) | | (5,125,724) | |
| Net current liabilities | | | (1,915,154) | | (3,987,238) |
| Total assets less current liabilities | | | <u>23,862,988</u> | | <u>16,773,090</u> |
| Creditors: amounts falling due after more than one year | 15 | | (21,856,405) | | (12,448,730) |
| Net assets | | | <u>2,006,583</u> | | <u>4,324,360</u> |
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 24,556,608 | | 18,126,608 |
| Revaluation reserve | 19 | | 7,677,786 | | 7,677,786 |
| Profit and loss account | 20 | | (30,227,660) | | (21,480,479) |
| Members' funds | 21 | | 2,006,734 | | 4,323,915 |
| Equity Minority interest | 26 | | (151) | | 445 |
| Total capital employed | | | <u>2,006,583</u> | | <u>4,324,360</u> |

The financial statements on pages 12 to 32 were approved by the Board on 21 November 2014 and signed on its behalf by:


C Crown FCA
Director

Company Registration number: 03642327

The notes on pages 16 to 32 form an integral part of these financial statements.

BRENTFORD FC LIMITED**COMPANY BALANCE SHEET****AT 30 JUNE 2014**

| | | 30/06/14 | | 31/05/13 | |
|--|--------------|--------------------|---------------------|--------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 8 | | 630,000 | | - |
| Tangible assets | 10 | | 12,607,609 | | 10,979,172 |
| Investments | 11 | | 52,604 | | 52,604 |
| | | | <u>13,290,213</u> | | <u>11,031,776</u> |
| Current assets | | | | | |
| Stocks | 12 | 233,900 | | 39,907 | |
| Debtors | 13 | 11,660,265 | | 9,367,319 | |
| Cash at bank and in hand | | 3,349,660 | | 440,898 | |
| | | <u>15,243,825</u> | | <u>9,848,124</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(5,698,881)</u> | | <u>(4,638,213)</u> | |
| Net current assets / (liabilities) | | | <u>9,544,944</u> | | <u>5,209,911</u> |
| Total assets less current liabilities | | | 22,835,157 | | 16,241,687 |
| Creditors: amounts falling due after more than one year | 15 | | <u>(21,856,405)</u> | | <u>(12,448,730)</u> |
| Net assets / (liabilities) | | | <u>978,752</u> | | <u>3,792,957</u> |
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 24,556,608 | | 18,126,608 |
| Revaluation reserve | 19 | | 7,677,786 | | 7,677,786 |
| Profit and loss account | 20 | | <u>(31,255,642)</u> | | <u>(22,011,437)</u> |
| Members' funds | 21 | | <u>978,752</u> | | <u>3,792,957</u> |

The financial statements were approved by the Board on 21 November 2014 and signed on its behalf by:


C Crown FCA (Chairman)
Director

Company Registration number: 03642327

The notes on pages 16 to 32 form an integral part of these financial statements.

BRENTFORD FC LIMITED

GROUP CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|--------------|--------------|
| Reconciliation of operating profit to net cash inflow from operating activities | | | |
| Operating loss | | (8,026,322) | (4,272,179) |
| Reconciliation to cash generated from operations: | | | |
| Depreciation | | 281,951 | 60,373 |
| (Increase) / Decrease in stocks | | (193,993) | (948) |
| (Increase) / Decrease in debtors | | (233,020) | (181,336) |
| Increase / (Decrease) in minority shares | | (596) | (52) |
| Increase / (Decrease) in creditors | | 3,930,436 | 229,610 |
| Net cash outflow from operating activities | | (4,241,544) | (4,164,532) |
| Return on investments and servicing of finance | 23 | - | (26,250) |
| Minority interest | | 596 | 52 |
| Financing | 23 | 6,430,000 | 9,294,608 |
| Capital expenditure | 23 | (5,299,765) | (10,661,166) |
| Exceptional items | 23 | (721,455) | (156,084) |
| | | 409,376 | (1,548,840) |
| (Increase) / decrease in net debt in the period | | (3,832,168) | (5,713,372) |
| Repayment regarding financing | | - | - |
| | 24 | (3,832,168) | (5,713,372) |
| Change in net debt in the period | 24 | (3,832,168) | (5,713,372) |
| Net debt at 1 June 2013 | 24 | (15,367,178) | (9,653,806) |
| Net debt at 30 June 2014 | 24 | (19,199,346) | (15,367,178) |

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

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 undertakings drawn up to 30 June 2014. 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

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Match day revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. Facility fees for live television coverage of games are taken when earned.

1.4. Going concern

The financial statements have been prepared on the going concern basis on the grounds that Matthew Benham has indicated his willingness to support the company by providing adequate loan facilities and future equity investment to enable the company to meet its financial obligations as they fall due for a period of at least twelve months from the date on which these financial statements are signed.

The financial statement make no provision for any adjustment should the going concern basis not be appropriate.

1.5. Transfer costs

The transfer costs of players which relate to their registrations are not capitalised and are written off to the profit and loss account in the period the cost is incurred, in respect of players bought and on the club's payroll during the period (see note 1.14).

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

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:

| | | |
|----------------------------|---|-----------------------------|
| Freehold land and building | - | Nil on cost |
| Leasehold premises | - | Over the terms of the lease |
| Plant and equipment | - | 20% on cost |
| Fixture and fittings | - | 20% on cost |
| Computer equipment | - | 25% 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.

The additions to freehold land and buildings represents cost of land and planning costs for the development of a new stadium.

No depreciation is charged as the development is not complete.

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.

1.7. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.8. Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stocks. Cost represents direct cost only.

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

1.9. 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 group and the company 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.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10. 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.

1.11. 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.

1.12. Leasing commitments

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

1.13. 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 PERIOD ENDED 30 JUNE 2014

1.14. Intangible fixed assets and amortisation

In accordance with FRS 10 player registrations are capitalised and written off over the period of the player's contract. Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. These extra fees are capitalised and written off over the remaining period of the contract once the conditions have been met.

Profits or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the applicable player's registration.

As the Club were promoted to the Championship at the end of the season, this policy was introduced for all purchases of players whose contracts commenced on or after 1st July 2014.

1.15. Player remuneration

Signing on fees in respect of players contracts are expensed to the profit and loss account over the length of the contract. Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements and any discretionary bonuses when there is a legal or constructive obligation.

2. Operating loss

The operating loss is stated after charging:

| | Period ended 30/06/14 £ | Year ended 31/05/13 £ |
|---|----------------------------------|--------------------------------|
| Depreciation of owned fixed assets | 281,951 | 60,373 |
| Operating lease rental - land and buildings | 73,297 | 60,000 |
| Operating lease rental - other | 189,276 | 189,076 |
| Auditors' remuneration (Note 2.1 below) | 29,650 | 29,650 |
| | <u>574,174</u> | <u>339,099</u> |

2.1 Auditors' remuneration

| | Period ended 30/06/14 £ | Year ended 31/05/13 £ |
|----------------|----------------------------------|--------------------------------|
| Audit fee | 26,900 | 26,600 |
| Other services | 2,750 | 3,050 |
| | <u>29,650</u> | <u>29,650</u> |

BRENTFORD FC LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

| | Period ended 30/06/14 £ | Year ended 31/05/13 £ |
|---|--|--|
| 3. Exceptional items | | |
| Profit on disposal of player registrations | 648,795 | 6,666 |
| Transfer fee - purchases | (1,370,250) | (162,750) |
| | <u>(721,455)</u> | <u>(156,084)</u> |
| | | |
| | Period ended 30/06/14 £ | Year ended 31/05/13 £ |
| 4. Directors' remuneration | | |
| Remuneration | - | - |
| Pensions contributions | - | - |
| | <u>-</u> | <u>-</u> |
| | | |
| | Period ended 30/06/14 £ | Year ended 31/05/13 £ |
| 5. Staff costs | | |
| Wages and salaries | 8,857,711 | 5,879,497 |
| Social security costs | 1,093,150 | 562,624 |
| | <u>9,950,861</u> | <u>6,442,121</u> |
| Staff costs are attributable as follows: | | |
| Administration and commercial staff | 848,617 | 868,770 |
| Playing, training and ground staff | 9,102,244 | 5,573,351 |
| | <u>9,950,861</u> | <u>6,442,121</u> |
| | | |
| | Number | Number |
| Average number of employees during the year | | |
| Administration and commercial staff | 31 | 29 |
| Playing, training and ground staff | 95 | 100 |
| | <u>126</u> | <u>129</u> |

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

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014**

| | Period ended 30/06/14 £ | Year ended 31/05/13 £ |
|--|--|--|
| 6. Interest payable and similar charges | | |
| Bank loans and overdrafts | - | - |
| Other loans | - | 26,250 |
| | <u>-</u> | <u>26,250</u> |

7. Tax on loss on ordinary activities

No liability to UK Corporation tax arose on ordinary activities for the period ended 30 June 2014 or for the year ended 31 May 2013.

The company has unrelieved losses at 30 June 2014 of approximately £28.5m (2013 - £20.8m) which are available to be carried forward and offset against future trading profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of the availability of future trading profits.

| 8. Intangible fixed assets Group and company | 30/06/14 Player Registrations £ | Total £ |
|---|--|--------------------|
| Cost | | |
| Additions | 630,000 | 630,000 |
| At 30 June 2014 | <u>630,000</u> | <u>630,000</u> |
| Net book values | | |
| At 30 June 2014 | <u>630,000</u> | <u>630,000</u> |
| At 31 May 2013 | <u>-</u> | <u>-</u> |

BRENTFORD FC LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

| 9. Tangible fixed assets | Freehold land and buildings | Leasehold premises | Plant and equipment | Fixtures, fittings | Total |
|---------------------------------|------------------------------------|---------------------------|----------------------------|---------------------------|--------------|
| Group | £ | £ | £ | £ | £ |
| Cost/revaluation | | | | | |
| At 1 June 2013 | 19,780,125 | 780,328 | 536,547 | 403,459 | 21,500,459 |
| Additions | 2,759,278 | 1,078,197 | 736,138 | 96,152 | 4,669,765 |
| At 30 June 2014 | 22,539,403 | 1,858,525 | 1,272,685 | 499,611 | 26,170,224 |
| Depreciation | | | | | |
| At 1 June 2013 | - | 1,205 | 366,904 | 372,022 | 740,131 |
| Charge for the period | - | 42,160 | 208,724 | 31,067 | 281,951 |
| At 30 June 2014 | - | 43,365 | 575,628 | 403,089 | 1,022,082 |
| Net book values | | | | | |
| At 30 June 2014 | 22,539,403 | 1,815,160 | 697,057 | 96,522 | 25,148,142 |
| At 31 May 2013 | 19,780,125 | 779,123 | 169,643 | 31,437 | 20,760,328 |

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

| Freehold land and buildings: | 2014 | 2013 |
|--|-------------|-------------|
| | £ | £ |
| Historical cost | 2,322,214 | 2,322,214 |
| Cumulative depreciation based on historical cost | Nil | Nil |

Cost or valuation at 30 June 2014 is represented by:

| | Freehold land and buildings | Leasehold premises | Plant and equipment | Fixtures, fittings | Total |
|-------------|------------------------------------|---------------------------|----------------------------|---------------------------|--------------|
| | £ | £ | £ | £ | £ |
| Revaluation | 7,677,786 | - | - | - | 7,677,786 |
| Cost | 14,861,617 | 1,858,525 | 1,272,685 | 499,611 | 18,492,438 |
| | 22,539,403 | 1,858,525 | 1,272,685 | 499,611 | 26,170,224 |

The company's freehold land and buildings at Griffin Park 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 PERIOD ENDED 30 JUNE 2014

Tangible fixed assets - Group

The directors are not aware of any material changes in value and therefore full valuation have not been updated. The directors have however carried out an informal valuation and are of the opinion that the value stated of £10 million is not materially affected.

| 10. Tangible fixed assets | Freehold land and buildings | Leasehold premises | Plant and equipment | Fixtures, fittings | Total |
|----------------------------------|--|-------------------------------|--------------------------------|-------------------------------|--------------|
| Company | £ | £ | £ | £ | £ |
| Cost/revaluation | | | | | |
| At 1 June 2013 | 10,000,000 | 780,328 | 535,172 | 403,459 | 11,718,959 |
| Additions | - | 1,078,197 | 735,600 | 96,152 | 1,909,949 |
| At 30 June 2014 | 10,000,000 | 1,858,525 | 1,270,772 | 499,611 | 13,628,908 |
| Depreciation | | | | | |
| At 1 June 2013 | - | 1,205 | 366,560 | 372,022 | 739,787 |
| Charge for the period | - | 42,160 | 208,285 | 31,067 | 281,512 |
| At 30 June 2014 | - | 43,365 | 574,845 | 403,089 | 1,021,299 |
| Net book values | | | | | |
| At 30 June 2014 | 10,000,000 | 1,815,160 | 695,927 | 96,522 | 12,607,609 |
| At 31 May 2013 | 10,000,000 | 779,123 | 168,612 | 31,437 | 10,979,172 |

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

| Freehold land and buildings: | 2014 | 2013 |
|--|-------------|-------------|
| | £ | £ |
| Historical cost | 2,322,214 | 2,322,214 |
| Cumulative depreciation based on historical cost | Nil | Nil |

Cost or valuation at 30 June 2014 is represented by:

| | Freehold land and buildings | Leasehold premises | Plant and equipment | Fixtures, fittings | Total |
|-------------|--|-------------------------------|--------------------------------|-------------------------------|--------------|
| | £ | £ | £ | £ | £ |
| Revaluation | 7,677,786 | - | - | - | 7,677,786 |
| Cost | 2,322,214 | 1,858,525 | 1,270,772 | 499,611 | 5,951,122 |
| | 10,000,000 | 1,858,525 | 1,270,772 | 499,611 | 13,628,908 |

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014**

Tangible fixed assets - Company

The company'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.

The directors are not aware of any material changes in value and therefore full valuation have not been updated. The directors have however carried out an informal valuation and are of the opinion that the value stated of £10 million is not materially affected.

| 11. Fixed asset investments | Subsidiary undertaking shares £ | Total £ |
|------------------------------------|--|--------------------|
| Principal group investments | | |
| Cost | | |
| At 1 June 2013 | | |
| At 30 June 2014 | 52,604 | 52,604 |
| Net book values | | |
| At 30 June 2014 | 52,604 | 52,604 |
| At 31 May 2013 | 52,604 | 52,604 |

The parent company have investments in the following subsidiary undertakings incorporated in England and Wales whose principal activity is to progress the development of a new stadium for the company.

| Subsidiary undertakings | Holding | % |
|------------------------------------|---------------------|----------|
| Brentford FC (Lionel Road) Limited | 99 Ordinary shares | 99 |
| Lionel Road Developments Ltd | 100 Ordinary shares | 100 |

The above subsidiary undertakings have been included in the consolidated accounts.

| 12. Stocks | 30/06/14 £ | 31/05/13 £ |
|-------------------------------|-----------------------|-----------------------|
| Group and company | | |
| Raw materials and consumables | 12,781 | 7,581 |
| Merchandise | 221,119 | 32,326 |
| | 233,900 | 39,907 |

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014**

| 13. Debtors | Group | | Company | |
|------------------------------------|----------------|----------------|-------------------|------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Trade debtors | 217,602 | 221,987 | 134,076 | 122,987 |
| Amounts owed by group undertakings | - | - | 11,116,821 | 8,934,995 |
| Other debtors | 384,912 | 204,778 | 174,421 | 129,396 |
| Prepayments and accrued income | 239,622 | 182,351 | 234,947 | 179,941 |
| | <u>842,136</u> | <u>609,116</u> | <u>11,660,265</u> | <u>9,367,319</u> |

The amount owed by group undertakings of £11,092,242 is falling due after more than one year.

| 14. Creditors: amounts falling due within one year | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Other loans (secured note 16) | 807,911 | 3,407,911 | 807,911 | 3,407,911 |
| Trade creditors | 2,112,141 | 634,865 | 1,593,849 | 204,927 |
| Other taxes and social security costs | 1,375,234 | 188,377 | 1,373,510 | 188,377 |
| Other creditors | - | 5,605 | - | 5,605 |
| Accrued expenses | 742,829 | 797,873 | 505,566 | 730,850 |
| Deferred income | 1,316,564 | 82,255 | 1,316,564 | 82,255 |
| Amount owed to group undertakings | - | - | - | 9,450 |
| Amount owed to connected undertakings | 101,481 | 8,838 | 101,481 | 8,838 |
| | <u>6,456,160</u> | <u>5,125,724</u> | <u>5,698,881</u> | <u>4,638,213</u> |

| 15. Creditors: amounts falling due after more than one year | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Shareholder's loans (secured) | <u>21,856,405</u> | <u>12,448,730</u> | <u>21,856,405</u> | <u>12,448,730</u> |

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014**

| 16. Loans (secured) | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Loans repayable within one year or on demand: | | | | |
| Bank overdraft | - | - | - | - |
| Other loans | 807,911 | 3,407,911 | 807,911 | 3,407,911 |
| | <u>807,911</u> | <u>3,407,911</u> | <u>807,911</u> | <u>3,407,911</u> |
| Loan repayable between two and five years: | | | | |
| Loan from M Benham | 21,856,405 | 12,448,730 | 21,856,405 | 12,448,730 |
| | <u>21,856,405</u> | <u>12,448,730</u> | <u>21,856,405</u> | <u>12,448,730</u> |
| Analysis of maturity of debt: | | | | |
| Within one year or on demand | 807,911 | 3,407,911 | 807,911 | 3,407,911 |
| Between two and five years | 21,856,405 | 12,448,730 | 21,856,405 | 12,448,730 |
| | <u>22,664,316</u> | <u>15,856,641</u> | <u>22,664,316</u> | <u>15,856,641</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 United).

17. Deferred taxation

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

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Revaluation of freehold property | 1,400,000 | 1,560,000 | 1,400,000 | 1,560,000 |
| Accelerated capital allowances | (127,000) | (94,000) | (127,000) | (94,000) |
| Tax losses carried forward | (6,018,000) | (4,776,000) | (6,000,000) | (4,770,000) |
| Undiscounted provision for deferred tax | <u>(4,745,000)</u> | <u>(3,310,000)</u> | <u>(4,727,000)</u> | <u>(3,304,000)</u> |

The deferred tax liability of £1,400,000 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.

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014**

| 18. Share capital | | | 30/06/14 | 31/05/13 |
|---|------------|------------|-------------------|-------------------|
| | No | No | £ | £ |
| Allotted, called up and fully paid | | | | |
| Ordinary shares of £25 each | 80 | | 2,000 | |
| Ordinary shares of 1p each | - | 200,000 | - | 2,000 |
| Ordinary Special share of 1p | - | 1 | - | - |
| BU Special share of 1p | 1 | 1 | | |
| 1 Preference shares of £1 each | 24,554,608 | 18,124,608 | 24,554,608 | 18,124,608 |
| | | | <u>24,556,608</u> | <u>18,126,608</u> |

At a general meeting of the company duly convened and held on 27 February 2014, a special resolution was passed that every 2,500 ordinary shares of £0.01 each in the issued share capital of the Company be consolidated into one ordinary share of £25.00, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.01 each in the capital of the Company.

During the year, 6,430,000 preference Shares of £1 each were allotted and fully paid.

Special share

The Special share had no right to receive notice of or to attend or vote at general meeting of the company. The holder had the right 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 had the right to veto the sale.

The holder was not entitled to transfer or otherwise dispose of the special share to any other person. In the event of the holder's death or bankruptcy or (if earlier) on 31 May 2014 the rights conferred ceased to apply and the special share was converted into an ordinary share.

The Special share was not redeemable and had no right in respect of dividends or to participate in a distribution.

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014****BU Special share**

The BU Special Share confers on Brentford Football Community Society Ltd (Bees United) personally (but no other person) the right to receive notice of a sale and (under certain circumstances) issue a Veto Notice in respect of any sale of Griffin Park or of any successor stadium owned by the Company at which the Brentford FC first team plays its home league matches. This right only comes into being once the Special Share (see above) has been converted into an Ordinary Share. The purpose of the BU Special Share is to prevent the selling of the stadium to the long term disadvantage of Brentford Football Club and for short term gain to the shareholders.

The BU Special Share is not redeemable and has no right in respect of dividends or to participate in a distribution.

19. Revaluation reserve**Group and company**

| | 30/06/14 | 31/05/13 |
|--------------------------|------------------|------------------|
| | £ | £ |
| At 1 June 2013 | 7,677,786 | 7,677,786 |
| Charge during the period | - | - |
| At 30 June 2014 | <u>7,677,786</u> | <u>7,677,786</u> |

20. Profit and loss account**Group and company**

| | Group | | Company | |
|------------------------|---------------------|---------------------|---------------------|---------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| At 1 June 2013 | (21,480,479) | (17,026,018) | (22,011,437) | (17,075,034) |
| Loss for the period | (8,747,181) | (4,454,461) | (9,244,205) | (4,936,403) |
| At 30 June 2014 | <u>(30,227,660)</u> | <u>(21,480,479)</u> | <u>(31,255,642)</u> | <u>(22,011,437)</u> |

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014****21. Reconciliation of movements in shareholders' funds**

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Loss for the period | (8,747,181) | (4,454,461) | (9,244,205) | (4,936,403) |
| Other recognised gains or losses | - | - | - | - |
| | <u>(8,747,181)</u> | <u>(4,454,461)</u> | <u>(9,244,205)</u> | <u>(4,936,403)</u> |
| Proceeds of issue of non-equity shares | 6,430,000 | 9,294,608 | 6,430,000 | 9,294,608 |
| | <u>(2,317,181)</u> | <u>4,840,147</u> | <u>(2,814,205)</u> | <u>4,358,205</u> |
| Opening shareholders' funds | 4,323,915 | (516,232) | 3,792,957 | (565,248) |
| Closing shareholders' funds | <u>2,006,734</u> | <u>4,323,915</u> | <u>978,752</u> | <u>3,792,957</u> |

22. Commitments and contingent liabilities**Capital commitments**

At 30 June 2014, capital expenditure commitments were as follows:

| | 30/06/14 | 31/05/13 |
|---|-----------------|-----------------|
| | £ | £ |
| Contracted but not provided for in the accounts | - | 1,422,265 |

Lease commitments

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

| | Land and buildings | Land and buildings | Other | Other |
|---------------------------------|---------------------------|---------------------------|-----------------|-----------------|
| | 30/06/14 | 31/05/13 | 30/06/14 | 31/05/13 |
| | £ | £ | £ | £ |
| Operating leases which expires: | | | | |
| within one year | 65,000 | 60,000 | 153,860 | 160,655 |
| within two to five years | <u>115,000</u> | <u>10,000</u> | <u>160,100</u> | <u>52,558</u> |

BRENTFORD FC LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 JUNE 2014****23. Gross cash flows**

| | 30/06/14 £ | 31/05/13 £ |
|--|-------------------|-------------------|
| Returns on investments and servicing of finance | | |
| Interest paid | - | (26,250) |
| | <u> </u> | <u> </u> |
| Financing | | |
| Issue of preference share capital | 6,430,000 | 9,294,608 |
| | <u> </u> | <u> </u> |
| Capital expenditure | | |
| Payments to acquire tangible fixed asset | (4,669,765) | (2,630,590) |
| Payment to acquire intangible fixed assets | (630,000) | - |
| Payment to acquire subsidiary undertaking | - | (8,030,576) |
| | <u> </u> | <u> </u> |
| | (5,299,765) | (10,661,166) |
| | <u> </u> | <u> </u> |
| Exceptional items | | |
| Profit on disposal of player registrations | 648,795 | 6,666 |
| Transfer fee - purchases | (1,370,250) | (162,750) |
| | <u> </u> | <u> </u> |
| | (721,455) | (156,084) |
| | <u> </u> | <u> </u> |

24. Analysis of changes in net debt

| | At 1 June 2013 £ | Cash flows £ | Other changes £ | At 30 June 2014 £ |
|--------------------------|------------------------|--------------------|-----------------------|-------------------------|
| Cash at bank and in hand | 489,463 | 2,975,507 | | 3,464,970 |
| Debt due within one year | (3,407,911) | 2,600,000 | - | (807,911) |
| Debt due after one year | (12,448,730) | (9,407,675) | - | (21,856,405) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net funds | (15,367,178) | (3,832,168) | - | (19,199,346) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

25. Related party transactions

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

A director's loan of £250,000 from J Herting and a loan from a group undertaking of £250,000 from Altonwood Limited, were assigned from Griffin Park Stadium Limited to the company as part consideration of the £1,800,000. Both loans were secured by a legal charge over the company'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 company's freehold property. The loan was waived in February 2014.

Brentford Football Community Society Limited (Bees United) 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 company to Griffin Park Stadium Limited was deferred for an unspecified term and Mr J Herting extended the term of loan to the company for a period of five years. The terms of the loans were varied in January 2010 so that the loans are repayable in full on 31 May 2014. However, Mr Herting's loan was repaid in full on 5 July 2013.

Mr E Rogers, director of the company had made interest free loans of £100,000 and £100,000 from his company Lee Savile Properties Limited to the company that was secured by legal charges and debentures over the company's assets. The loans were repaid in full on 5 July 2013.

Mr A A Bird, director of the company had made interest free loan of £250,000 to the company that is secured by legal charge and debenture over the company's assets. The loan was repaid in full on 5 July 2013.

Mr G Dyke, former Chairman of the company had made interest free loan of £100,000 from his company Vine Developments Limited to the company that was secured by legal charge and debenture over the company's assets. The loan was repaid in full on 5 July 2013.

Brentford Football Community Society Limited (Bees United) 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. Former and current directors that were members of the society during the year include J P Herting, E B Rogers, B Burgess, J Gosling, G Dyke, D Heath, I Jones, J. Bourke, A A Bird, D Merritt and Mark Chapman.

Bees United has made loans totalling £807,911 (2013: £807,911) to the company at the year end of which £530,000 (2013 - £530,000) is secured by legal charges over the company's freehold property. The loan is repayable in full on demand.

The balance of £1,481 (2013: £8,838) is owed to Bees United which is unsecured and the balance of £9,450 (2012: £9,450) is owed to Brentford FC (Lionel Road) Limited..

Mr M Benham has made loans to the company of £21,856,405 (2013 - £12,448,730) that are secured by a legal charge over the company'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.

NOTES TO THE AUDITED FINANCIAL STATEMENTS**FOR THE PERIOD ENDED 30 JUNE 2014**

| 26. Equity Minority Interests | 30/06/14 | 31/05/13 |
|---|-----------------|-----------------|
| | £ | £ |
| At 1 June 2013 | 445 | 497 |
| Profit on ordinary activities after taxation | | |
| Minority shareholding | (596) | (52) |
| At 30 June 2014 | <u>(151)</u> | <u>445</u> |

27. Controlling interest

Mr Matthew Benham controlled the company by virtue of a controlling interest directly of 100% of the issued ordinary shares capital.

28. Contingent liabilities

The group has entered into contractual arrangements regarding the Lionel Road South site which include certain contingent liabilities. These potential liabilities are in favour of previous owners of the company. The liabilities have a limited life and are only triggered in the event that the Lionel Road site achieves planning consent for uses which do not include a football stadium of minimum 15,000 capacity, or in the event that the building of the stadium is not implemented.

The group has entered into an indemnity Agreement with London Borough of Hounslow under which the company has underwritten certain costs incurred by the Council.