

Registration Number 29244R

Brentford Football Community Society Limited

'Bees United'

Financial Statements for the year to 31 May 2006

Brentford Football Community Society Limited

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Brentford Football Community Society Limited

Officers and advisers

Board members

John Anderson
Joe Bourke
Brian Burgess (Chairman)
Stephen Callen (Treasurer)
Mark Chapman (appointed 22/9/06)
Ron Cooper (appointed 31/8/06, resigned 22/9/06)
Matt Dolman
Alan Fowler (resigned 19/11/05)
Alison Franklin (appointed 19/11/05)
Chris Gammon (Society Secretary) (appointed 19/11/05)
Jon Gosling (resigned 25/2/06)
Rod Gowers (appointed 19/11/05, resigned 8/5/06)
David Hawes (appointed 19/11/05)
John Huggins (resigned 19/11/05)
Trevor Inns (appointed 22/9/06)
Natasha Judge (appointed 22/9/06)
Bruce Powell
Brian Sawyer
Chris Scott (appointed 19/11/05, resigned 22/9/06)
Peter Smith (resigned 19/11/05)

Registered Office

Griffin Park
Braemar Road
Brentford
Middlesex
TW9 0NT

Registration number - 29244R

Auditors

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

Bankers

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

Barclays Bank plc
P O Box 32014
London
NW1 2ZG

Brentford Football Community Society Limited (BEES UNITED)

Chairman's Statement – for the Year to 31 May 2006

The year to 31 May 2006 was a momentous one in the history of Bees United and Brentford Football Club. On 20 January 2006 the Society completed the takeover of the majority shareholding in Brentford FC and associated companies and a £5.5 million refinancing of the Club's debts.

We acquired from Altonwood 60% of Brentford FC Ltd (BFC) for £1 and 90% of Brentford Holdings Ltd (BHL), which in turn holds 50.95% of Griffin Park Stadium Ltd (GPSL), and a further 2% of GPSL also for £1.

This is the first annual chairman's statement that reports on the Society, its subsidiary operations and the Bees United Group as a whole.

The Society

The work of the Society, its board members and countless volunteers was naturally dominated by the increasingly intense activity leading up to the takeover. I must pay tribute to everyone involved in raising or contributing funds and in getting the deal done.

The takeover has now made Bees United a very different type of enterprise to run. From being a voluntary organisation with no staff, no assets and income of around £100,000 each year we are now a voluntary organisation still with no staff but with responsibility for a subsidiary company with an annual income in the order of £3 million, around 200 people on the payroll each month, assets of £10 million and external debts of over £6 million.

This is a big responsibility and one that the Bees United board takes very seriously. It means that we need strong representation on the BFC board. It means that we must use that representation to ensure that the club adopts the most appropriate strategies and policies for the long term future of Brentford. And it means that we must continue to encourage supporters who have skills and passion to step forward and help the trust to adopt a professional approach to everything that we do.

The Trust's own activities continued to generate healthy revenue. Compared with the previous year, Bees United's income was up by £ 23,625 to £158,317. Expenditure was £151,364 (compared with £11,258 in the year to May 2005) giving a reduced surplus for the year (before exceptional items) of £6,953 (compared with £123,434). The increased expenditure reflects the costs of the acquisition. The fact that the Society was able to cover these costs from increased fundraising income is a very creditable outcome.

The balance sheet at the year end reflects the financial restructuring of both the Society and BFC in order to complete the acquisition. As part of the financial restructuring the Society wrote off a loan of £80,000 due from BFC to cover costs related to the acquisition.

At the year end the Society's secured loans to BFC totalled £1,080,000 of which £1,000,000 is due for repayment in January 2009 and unsecured loans stood at £258,750.

New debts that will have to be repaid by the Society included:

- £235,344 on the five year Barclays loan account, which is being paid out of monthly standing order income,
- £550,000 to 'investors' who contributed loan notes repayable in January 2009
- £150,000 to 'investors' who contributed loan notes repayable in January 2011.

At 31 May 2006 the Society's net assets were £318,285 compared to £391,080 at the previous year end.

Membership at 31 May 2006 was 1,577, compared to 1,282 at the start of the year.

Since the last annual report Rod Gowers, Chris Scott and Jon Gosling have stepped down from the Society Board and Ron Cooper was co-opted for a short period to maintain the required number of directors until new members could be elected. The annual election in September resulted in Mark Chapman, Trevor Inns and Natasha Judge joining the Board.

Subsidiary Operations

When we took over on 20 January BFC was incurring substantial losses and the business needed intensive care. The top priority for Bees United as the majority shareholder, guaranteeing the Clubs debts to Barclays Bank and Hounslow Council, was to ensure that the Club was quickly brought under firm control. Even after income from a good FA Cup run and transfer fees the Club lost £517,336 in the year to 31 May 2006.

On completion of the acquisition the Society nominated two new directors, Chairman Greg Dyke and Brian Burgess, to the BFC board to join Joe Bourke who had been appointed in September 2005. These three were joined in February as Bees United nominees by Jon Gosling who was elected by the Society's members as the supporter director, replacing Graham Hall who had stood down prior to the acquisition.

Greg Dyke, as the new BFC Chairman, and the other new board members have now settled in and the BFC Board is getting to grips with things. Greg's firm and effective leadership is making a difference, and with Keith Dicken's appointment as Managing Director we can have confidence in the leadership of the Club. The profits from transfer fees after the year end have provided a cash cushion for most of this season but this is only a temporary respite which gives us a few months to develop a more robust business.

Winning the award as the Football League Community Club of the Year should make everyone associated with Brentford very proud indeed. It demonstrates that there are some excellent foundations upon which to build. But there is still much to do to create a stable business let alone a sustainable one.

The other new subsidiaries, BHL and GPSL, had no trading activities during the year.

The Group

The Society and the Bees United Group as a whole will stand or fall on the performance of BFC. The BFC debts amount to some £7 million but part of this is owed to Bees United and to GPSL, which in turn is part owned by Bees United. In accounting terms these intra-group debts can be set-off within the group accounts but this still leaves substantial debts that have to be repaid to external parties. At 31 May 2006 the Group had external debt of £5,676,000 with no realistic prospect of repaying this from normal trading income. My main concern as Chairman of Bees United is the long-term sustainability of the Society and the football club.

The BFC Board believes the only way for the company to become self sufficient is to relocate to a new purpose built stadium with modern facilities for commercial and community use. The new stadium project will therefore be a major focus for the coming months and years.

Thank you

Finally I would like to thank everyone who has served on the Bees United board over the past year for their commitment and support, all our members who have contributed their time, energy and resourcefulness and all the other individuals and organisations that have given us advice, encouragement and support.

A special thank you goes to the 'investors' who have provided substantial interest free loans to Bees United and to BFC to make the takeover possible. Their extraordinary generosity has enabled Bees fans to achieve the dream of owning the Club.

So many people have played an essential part in a real team effort by many dedicated supporters tirelessly raising funds, making loans and volunteering with the mountain of work required to achieve the takeover. Thank you to everyone for your contributions, whether they be in cash or time or ideas.

The Future

The challenges we face in the coming year to 31 May 2007 are very different to previous years. The future of Brentford FC is in our own hands.

We do not have the financial resources to compete against the bigger clubs or those that rely on the old model of wealthy individuals sinking cash into a loss making business in an attempt to buy success. We are intent on leading and transforming the football industry by creating our own role model of a community owned club, run as a sustainable enterprise for the benefit of stakeholders and operating in a modern purpose built stadium providing services to local people seven days a week. There is a long way to go but we have taken the first crucial step and we must not let up in our efforts to secure a stable long-term future for the Club.

Brian Burgess
Chairman
November 2006



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BRENTFORD FOOTBALL COMMUNITY SOCIETY LIMITED**

We have audited the financial statements of Brentford Football Community Society Limited for the year ended 31 May 2006, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of board members and auditors

The board members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Board Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965. We also report to you whether in our opinion the information given in the Board Members' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

We read other information contained in the financial statements and consider whether it is consistent with the audited financial statements. The other information comprises only the Board Members' Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements within the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

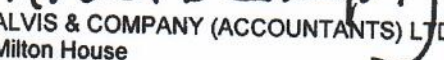
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965;
- the information in the Board Members' and Chairman's report is consistent with the financial statements.

Without qualifying our opinion we draw attention to the fact that these financial statements have been prepared on the going concern basis. The subsidiary company's projections make certain assumptions relating to its ongoing footballing performance. These constitute a material uncertainty which could potentially result in additional funding being required to support the group's activities.

Registered auditors:


ALVIS & COMPANY (ACCOUNTANTS) LTD
Milton House
33A Milton Road
Hampton
Middlesex TW12 2LL

Date 7/12/2006

Brentford Football Community Society Limited

**Board Members' Report
for the year ended 31 May 2006**

The board members present their report with the accounts of the society for the year ended 31 May 2006.

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The board members are responsible for preparing financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The law requires the board members to prepare financial statements for the financial period which give a true and fair view of the state of affairs of the society and of the income and expenditure for that period. These statements are required to be audited by independent auditors and copies made available to members.

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

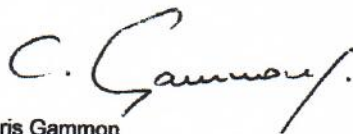
- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Society will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Board Members are aware, there is no relevant audit information of which the society's auditors are unaware, and each board member has taken all the steps that he ought to have taken as a Board Member in order to make himself aware of any relevant audit information and to establish the society's auditors are aware of that information.

This report was approved by the Board on 11th November 2006 and signed on its behalf by



Chris Gammon
Society Secretary

Brentford Football Community Society Limited

**Income and Expenditure Account
for the year ended 31 May 2006**

	Note	2006 £	2005 £
Income			
Income from members			
Members' annual subscriptions		5,821	3,460
Life memberships		12,600	-
Lapsed memberships		114	449
Members' standing order payments		82,575	75,452
		<u>101,110</u>	<u>79,361</u>
Other income			
Sponsored walks/bike rides		-	7,550
Matchday collections		22,410	13,595
Quizzes / auctions		1,658	2,025
Stripes evenings		2,796	1,842
Collection tins		2,339	2,560
Donations		20,574	23,931
Sundry fundraising		7,161	3,718
		<u>56,940</u>	<u>55,221</u>
Bank interest receivable		268	110
Total income		<u>158,317</u>	<u>134,692</u>
Expenditure			
Printing, postage and stationery		6,382	5,963
Legal and professional - general costs		4,236	2,771
Legal and professional - acquisition costs		110,398	-
Auditors remuneration	7	3,173	-
Players' fund donations to BFC		12,000	-
Fundraising expenses		4,832	716
Promotion and advertising		938	575
Travel expenses		1,871	1,181
Interest payable		6,943	-
Bank charges		591	52
		<u>151,364</u>	<u>11,258</u>
Surplus for year		<u>6,953</u>	<u>123,434</u>
Exceptional item			
Waiver of loan due from Brentford FC Ltd	7	(80,000)	-
Retained (deficit)/surplus for the year	9	<u><u>(73,047)</u></u>	<u><u>123,434</u></u>

Brentford Football Community Society Limited

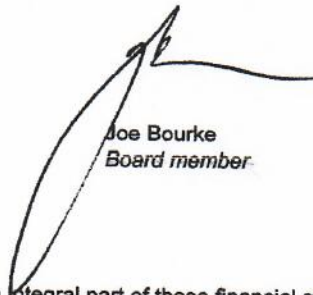
**Balance Sheet
at 31 May 2006**

	Note	2006 £	2005 £
Intangible fixed assets			
Investments	2	2	-
Current assets			
Cash at bank and in hand	3	63,974	60,330
Debtors	4	1,338,750	422,500
		<u>1,402,724</u>	<u>482,830</u>
Creditors - amounts falling due within one year	5	209,125	91,750
Net current assets		<u>1,193,596</u>	<u>391,080</u>
Total assets less current liabilities		1,193,596	391,080
Creditors - amounts falling due after more than one year	6	875,313	-
Net assets		<u>318,285</u>	<u>391,080</u>
Capital and reserves			
Called-up share capital	8	1,460	1,208
Surplus on Income and Expenditure account	9	316,825	389,872
		<u>318,285</u>	<u>391,080</u>

The accounts were approved by the Board on 11 November 2006 and signed on its behalf by:-



Brian Burgess
Chairman



Joe Bourke
Board member

The notes on pages 9 to 11 form an integral part of these financial statements.

Brentford Football Community Society Limited

**Notes to the Financial Statements
for the year ended 31 May 2006**

1. Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The directors have taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (effective January 2005) not to include a cash flow statement on the grounds that the Society is small.

During the year the Society acquired majority shareholdings in each of Brentford Holdings Limited, Brentford FC Limited, and Griffin Park Stadium Limited. No consolidated accounts have been prepared as, in the opinion of the Society Board, these would be misleading to members due to the differing business of the Football Club to that of the Society, and the fact that Society shareholders are not entitled to any share of profits or distribution of assets from these companies.

2. Fixed Asset Investments	2006	2005
	£	£
Investments at cost	2	-

Investments are stated at the purchase cost of shares acquired. Costs of acquisition have been written off in the income and expenditure account (note 7).

The society's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

Brentford FC Ltd

Country of incorporation: England and Wales

Nature of business: Professional Football League Club

	%		
	holding		
Class of shares: Ordinary	60.3259		
Aggregate capital and reserves	2006	2005	
Profit/(loss) for the year	2,029,025	2,621,444	
	(517,336)	(75,067)	

Subsidiary

Brentford Holdings Ltd

Country of incorporation: England and Wales

Nature of business: Holding company

	%		
	holding		
Class of shares: Ordinary	90		
Aggregate capital and reserves	2006	2005	
Profit/(loss) for the year	41,041	41,628	
	(587)	(790)	

Subsidiary

Griffin Park Stadium Ltd

Country of incorporation: England and Wales

Nature of business: Professional Football League Club

		%		
		holding		
Class of shares: Ordinary	Direct	2.236		
	Indirect *	50.9475		
		53.1835		
Aggregate capital and reserves		2006	2005	
Profit/(loss) for the year		1,315,837	1,323,676	
		(7,838)	(5,722)	

* Indirect holding is held by Brentford Holdings Ltd.