


Fulham Football Leisure Limited

Annual Report 30 June 2013



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Fulham Football Leisure Limited Offices and Advisors

For the year ended 30 June 2013

Registered Office:

Fulham Football Club Training Ground
Motspur Park
New Malden
Surrey
KT3 6PT

Auditor:

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Bankers

Santander UK Plc
Santander House
100 Ludgate Hill
London
EC4M 7RE

Solicitor

Squire Sanders
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH



Fulham Football Leisure Limited

Directors' Report

For the year ended 30 June 2013

The Directors present their report and the accounts for the year ended 30 June 2013, which show the state of the Group's affairs

Principal activities

The Group's principal activity during the period was the operation of a professional football club

Review of the business

The 2012/13 financial year saw another solid performance both on and off the pitch, with the Club achieving 12th place in its 12th successive season in the Premier League. Despite a relatively small net loss of £2.3m, on a turnover of £73m, the Club finished the year with a very healthy cash balance and a strong balance sheet at group level. This came despite there being no participation in European competition, as had been the case in the previous year's figures.

Obviously, the biggest change by far came just after the financial year end with Mr Shahid Khan purchasing the Club from Mr Mohamed Al Fayed after 16 years of ownership. The change brings about a fresh era for the Club after a remarkable period of stewardship that saw the Club rise through the divisions and back into the top flight. Under the new owner, the Club remains committed to continuing its solid on-pitch performances, developing the Riverside Stand and making numerous other infrastructure improvements to secure the long term sustainability of the Club.

During the year to 30 June 2013, the Group saw the following changes in the key indicators of financial and non-financial performance:

<u>Indicator</u>	<u>2013</u>	<u>Year to 30 June</u>		<u>%</u>
		<u>2012</u>	<u>+/- change</u>	
Gross revenues (£m)	74.2	79.3	(5.1)	(6.4)
Turnover (£m)	73.0	78.7	(5.7)	(7.2)
Turnover excluding Europa League (£m)	72.8	75.3	(2.5)	(3.3)
Total staff costs (£m)	66.5	62.3	4.2	6.7
Staff costs as % of revenues	89.6%	78.6%	11.0%	14.0
Net operating (loss) / profit before dep'n, amort'n & impairment (£m)	(7.9)	1.2	(9.1)	(758.3)
Final position in Premier League (PL)	12 th	9 th	(3)	-
Total PL attendances	482,492	480,567	1,925	0.4
Average PL attendance per game	25,394	25,293	101	0.4

The Directors consider these to be the most useful measures of performance, as they link on-field performance by the team to financial results achieved by the Group.

Results and dividends

The loss for the financial period amounted to £2,328,000 (2012: £18,315,000) which has been transferred to reserves. Increased profits from player trading and reduced amortisation of player registrations were the main factors behind this change in the financial results, partially offset by a reduction in turnover. The Directors do not recommend the payment of a dividend (2012: £nil).



Fulham Football Leisure Limited Directors' Report (continued)

For the year ended 30 June 2013

Future developments

The Group continues to seek to develop the match-day experience for spectators to promote the long-term aim of growing and retaining a large and loyal fan base. Fulham Stadium Limited has a rolling program of increasing and improving facilities at the Craven Cottage stadium, including the proposed redevelopment of the Riverside Stand, which enables the Group to plan for steady increases in attendance and an increase in total seating areas and lounge facilities, which support match-day packages.

The Group will continue to invest in the playing squad to maintain and improve on the results achieved during the playing season.

Financial instruments and risks

Most of the Group's transactions are in Sterling, although from time to time certain transactions involving the acquisition and disposal of overseas players may be in Euros. In these cases, the Group's policy is to accept the risk of a movement in the exchange rate to Sterling. No forward purchases of currency are made, nor does the Group use hedging instruments.

The Group's main source of finance during the period, for operating losses, working capital and capital expenditure (including player transfers), in excess of funds generated internally, was a short term secured loan facility from a third party (further details are included in note 13). Since the balance sheet date, this loan has been repaid in full and the Group has received further working capital funding from Cougar BidCo London Limited, an intermediate parent company under the common control of Mr Shahid Khan, the Group's ultimate controlling party. Assurances have been received from Mr Khan that no repayment demand will be made which would either cause the repayments to be a preference of a creditor or which would cause the Group to become technically insolvent. Mr Khan has also provided comfort that if further funds are needed to meet creditors as they fall due, these will be made available.

The Group's main commercial risk is that associated with potential failure to retain membership of the Football Association Premier League ("FAPL"). Of the Group's total revenues in the year to 30 June 2013, 67% came from sources controlled by the FAPL (2012: 64%). In the event of relegation from the FAPL, the Group's revenues would fall in the next two years to a level which would not finance ongoing contractual commitments and the Group would therefore have to take action to significantly reduce operating costs. Such action could prevent the maintenance of a playing squad capable of gaining promotion back to the FAPL. Therefore the Group's main aim is to prevent this risk becoming a reality.

Post balance sheet events

On 12th July 2013, the entire share capital of the Company was transferred to Big Cat Holdings Limited, a company incorporated in Bermuda. As a result of this change, ultimate control of the Group was transferred to Mr Shahid Khan. Since the year-end the Group has acquired and disposed of a number of player registrations. The net committed expenditure from these transactions is £2.3m.

Directors

The Directors who served during the year and up to the signing date of these financial statements are as follows -

M Al Fayed (resigned 12 July 2013)

S R Khan (appointed 12 July 2013)

M A E Collins (resigned 12 July 2013)

M Lamping (appointed 12 July 2013)

A J Mackintosh



Fulham Football Leisure Limited Directors' Report (continued)

For the year ended 30 June 2013

Disclosure of information to auditor

Each of the Directors has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

The environment

The Group has continued to adopt policies and procedures which take account of the need to preserve and protect the environment. The Directors are committed to compliance with environmental best practice in all aspects of the business.

Policy on payment of creditors

It is the Group's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the policy is that any valid invoice will be paid in full. The Group is sympathetic to, and pays particular attention to, the cash flow needs of its smaller suppliers.

Charitable donations

During the year, the Group donated £85,000 (2012: £85,000) to the Fulham Football Club Foundation.

Policy on disabled persons

It is the Group's policy to provide full and fair consideration of applications, continuing employment and training while employed for disabled persons in the business and to make our facilities available to disabled supporters as far as is possible within the constraints of a concern for the health and safety of all of our staff and customers.

Policy on employee involvement

It is the Group's policy to keep all staff informed as to the development of the business and encourage them to contribute their ideas, criticisms and comments through a management process which recognises and rewards genuine involvement in the success of the Group.

Auditor

KPMG LLP were appointed as auditor in June 2013 to fill a casual vacancy. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



By order of the Board

A J Mackintosh

Chief Executive

4 December 2013



Fulham Football Leisure Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements

For the year ended 30 June 2013

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 year. Under that law they have elected to prepare the Group and Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities



Independent Auditor's Report To the Members of Fulham Football Leisure Limited

We have audited the financial statements of Fulham Football Leisure Limited for the year ended 30 June 2013 set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 6, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion 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 2013 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

9 December 2013

7 Fulham Football Leisure Limited



Fulham Football Leisure Limited
Consolidated Profit and Loss Account

For the year ended 30 June 2013

		<u>2013</u>	<u>2012</u>
	Notes	£'000	£'000
Turnover	2	73,014	78,652
Other operating income		1,205	664
		<u>74,219</u>	<u>79,316</u>
Operating expenses before depreciation and amortisation	3	<u>(82,149)</u>	<u>(78,123)</u>
Operating (loss) / profit before depreciation and amortisation		(7,930)	1,193
Depreciation and amortisation	3	<u>(15,572)</u>	<u>(20,413)</u>
Exceptional impairment	4	-	(2,942)
Operating loss after depreciation, amortisation and impairment		(23,502)	(22,162)
Profit on disposal of players' registrations		21,579	4,131
(Loss)/profit on disposal of other assets		<u>(50)</u>	<u>27</u>
Loss before interest and taxation		(1,973)	(18,004)
Net interest payable	7	<u>(355)</u>	<u>(311)</u>
Loss on ordinary activities before taxation		(2,328)	(18,315)
Taxation of (loss) on ordinary activities	8	-	-
Loss for the year		<u>(2,328)</u>	<u>(18,315)</u>

All amounts relate to continuing operations

The Group has no recognised gains or losses other than the loss for the year

The notes on pages 12 to 27 form part of these financial statements



Fulham Football Leisure Limited

Consolidated Balance Sheet

Company number 3374347

As at 30 June 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	23,133	16,681
Tangible assets	10	<u>21,440</u>	<u>21,024</u>
		44,573	37,705
Current assets			
Stocks		292	167
Debtors	12	10,418	5,975
Cash at bank and in hand		<u>14,020</u>	<u>4,317</u>
		24,730	10,459
Creditors' amounts falling due within one year	13	<u>(39,418)</u>	<u>(20,347)</u>
Net current liabilities		<u>(14,688)</u>	<u>(9,888)</u>
Total assets less current liabilities		29,885	27,817
Creditors' amounts falling due after more than one year	13	(5,520)	(3,424)
Deferred income	14	(10,926)	(8,626)
Net assets		<u>13,439</u>	<u>15,767</u>
Capital and reserves			
Called up share capital	15	218,059	218,059
Profit and loss account	16	<u>(204,620)</u>	<u>(202,292)</u>
Shareholders' funds	17	<u>13,439</u>	<u>15,767</u>

The notes on pages 12 to 27 form part of these financial statements

Approved and authorised for issue by the board on 4 December 2013



A J Mackintosh
Director



Fulham Football Leisure Limited
Company Balance Sheet

Company number 3374347

As at 30 June 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	11	-	-
Current assets			
Debtors	12	21,179	19,649
Cash at bank and in hand		-	-
		<u>21,179</u>	<u>19,649</u>
Creditors amounts falling due within one year	13	<u>(12)</u>	<u>(19)</u>
Net current assets		<u>21,167</u>	<u>19,630</u>
Total assets less current liabilities		21,167	19,630
Net assets		<u>21,167</u>	<u>19,630</u>
Capital and reserves			
Called up share capital	15	218,059	218,059
Profit and loss account	16	<u>(196,892)</u>	<u>(198,429)</u>
Shareholders' funds	17	<u>21,167</u>	<u>19,630</u>

The notes on pages 12 to 27 form part of these financial statements

Approved and authorised for issue by the board on 4 December 2013



A J Mackintosh
 Director



Fulham Football Leisure Limited

Consolidated Cash Flow Statement

For the year ended 30 June 2013

	Notes	2013 £'000	2012 £'000
Net cash (outflow) / inflow from operating activities	18	(8,233)	888
Returns on investment and servicing of finance	19	53	(311)
Net cash inflow / (outflow) from purchase and disposal of tangible and intangible fixed assets	19	2,898	(15,339)
Net cash outflow before management of liquid resources and financing		(5,282)	(14,762)
Net cash inflow from financing	19	14,985	9,796
Increase / (decrease) in cash in the year		9,703	(4,966)
 Reconciliation Of Net Cash Flow To Movement In Net (Debt) / Funds			
Increase / (decrease) in cash in the year		9,703	(4,966)
Cash (inflow) from (increase) in debt & lease financing		(14,985)	(9,796)
Change in net debt resulting from cash flows	20	(5,282)	(14,762)
Non-cash changes	20	(408)	212,011
Movement in net (debt) / funds in the year		(5,690)	197,249
Net funds / (debt) at 1 July 2012	20	4,302	(192,947)
Net (debt) / funds at 30 June 2013	20	(1,388)	4,302



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2013

1 Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

(b) Going concern

The Company and consolidated financial statements have been prepared on the going concern basis, notwithstanding consolidated net current liabilities of £14,688,000 (2012 £9,888,000) and a consolidated loss after tax for the year ended 30 June 2013 of £2,328,000 (2012 £18,315,000). The Directors believe the use of the going concern basis to be appropriate, having received written indications from Mr Shahid Khan that continued funding will be made available to finance the Group's working capital requirements for the foreseeable future, if required, irrespective as to whether Fulham Football Club retains membership of the Premier League at the end of the 2013/14 season or not. Although there is no legal obligation for Mr Khan to provide this continued financial support, the Directors are confident that such funding, if required, will be forthcoming.

Should the Club be relegated at the end of the 2013/14 season, then the Group's revenues would fall. The Group would therefore have to take action to significantly reduce operating costs, which the Directors are confident could be achieved, such that additional funding would not be required.

(c) Basis of consolidation

The results of subsidiaries are consolidated from the date of acquisition. The financial statements incorporate the audited assets and liabilities and results of subsidiary undertakings for the year. Goodwill arising on consolidation of subsidiaries is capitalised and written off on a straight-line basis over its estimated useful life.

No profit and loss account is presented for Fulham Football Leisure Limited in accordance with the exemption provided by Section 408 of the Companies Act 2006. The Company's profit for the year amounted to £1,537,078 (2012 loss £8,587,008).

(d) Turnover

Turnover represents broadcasting, sponsorship, gate receipts, hospitality, and all other income associated with the principal activity of running a professional football club. Match related income is only recognised as revenue once the match is completed. Broadcasting and central sponsorship income is recognised in the financial year which contains the football season to which it relates. Other sponsorship income is recognised over the period of the underlying contract.

(e) Deferred Income

Income from season tickets, sponsorship, broadcasting and other commercial contracts, which has been received prior to the year end in respect of future football seasons, is treated as deferred income.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

1 Accounting policies (continued)

(f) Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The depreciation rates are as follows:

Playing surfaces	- 10% - 100% p a
Plant, equipment, fixtures & fittings	- 4% - 33.3% p a
Stadium & building improvements	- 4% - 10% p a

Depreciation is only charged on assets brought into use during the year.

The Group evaluates its fixed assets for financial impairment where events or circumstances indicate that the carrying value of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value an impairment is recorded.

(g) Stocks

Stocks, which comprise goods held for resale, are stated at the lower of cost and net realisable value.

(h) Deferred taxation

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis in accordance with the provisions set out in Financial Reporting Standard No. 19 "Deferred Tax". Deferred tax assets are only recognised when they arise from timing differences where their recoverability is regarded as more likely than not. Deferred tax balances are not discounted.

(i) Leasing and hire purchase

Assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the profit and loss account as incurred.

(j) Pension costs

The pension cost charged in the year represents contributions payable by the Group to a number of defined contribution schemes.

(k) Signing on fees

Signing on fees relating to players' contracts are charged to the profit and loss account in the period in which they become due. Signing on fees are considered to be part of players' emoluments packages and are included in these financial statements as part of staff costs.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

1 Accounting policies (continued)

(l) Player registrations

Fees payable to other football clubs on the transfer of players' registrations, including agents' fees and league levies, are recorded as intangible fixed assets. The associated costs are dealt with through the profit and loss account in the year in which the transfer takes place. Fees payable which are contingent on a future event are recorded as intangible fixed assets, if in the opinion of the Directors, the future event is more likely than not to occur during the life of the player's contract. Fees contingent on a future event which has a material uncertainty are only brought into intangible fixed assets when the event actually occurs.

Player registration costs are amortised over the life of the players' contract with the club. These intangible assets are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Fees receivable which are contingent on certain performance criteria are not recognised as revenue until the relevant criteria have been met.

(m) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

2 Turnover

	2013	2012
	£'000	£'000
Gate Receipts	12,458	11,354
Europa League	249	3,352
Central Awards	43,307	45,195
Broadcasting	5,949	5,867
Compensation	142	994
Sponsorship and other Commercial Activities	10,909	11,890
	<u>73,014</u>	<u>78,652</u>

3 Operating expenses

	2013	2012
	£'000	£'000
Auditors' remuneration for audit services		
- Company	8	21
- Subsidiaries	25	43
Auditors' remuneration for audit related assurance services	17	13
Staff costs	66,501	62,257
Amounts paid under operating leases		
- Plant and machinery	34	44
- Land and buildings	374	33
Other external charges	15,190	15,712
	<u>82,149</u>	<u>78,123</u>
Depreciation		
- Owned fixed assets	2,937	2,686
- Assets under finance leases	-	37
Amortisation of player registrations	12,635	17,690
	<u>15,572</u>	<u>20,413</u>
	<u>97,721</u>	<u>98,536</u>

4 Exceptional item

	2013	2012
	£'000	£'000
Impairment loss	<u>-</u>	<u>2,942</u>

The impairment loss in the prior year arose from a write down of certain players' registrations to reflect their estimated net realisable value. The revised carrying amounts are based on the Directors' assessments of achievable sale values, taking into account current conditions in the transfer market.



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

5 Staff costs

Group staff costs during the year (including Directors' emoluments) amounted to

	2013 £'000	2012 £'000
Wages and salaries	58,551	54,691
Social security costs	7,647	7,221
Pension costs	303	345
	<u>66,501</u>	<u>62,257</u>

The average monthly number of employees in the Group during the year was made up as follows

	2013 Number	2012 Number
Administrative and ground staff	178	170
Players	67	64
	<u>245</u>	<u>234</u>
Part-time staff for match days	<u>591</u>	<u>706</u>

The Company had no staff costs during the year (2012 £Nil)

6 Directors' emoluments

Aggregate Directors' emoluments during the year totalled £795,000 (2012 £687,057) excluding pension contributions of £45,000 (2012 £38,262) The highest paid Director's emoluments totalled £765,000 (2012 £665,390) excluding pension contributions of £45,000 (2012 £38,262)

7 Net interest payable

	2013 £'000	2012 £'000
Interest receivable on deposits:		
Bank interest	54	3
Interest payable on borrowings repayable within five years:		
Term loan interest	(408)	-
Hire and lease purchase obligations	(1)	(3)
Other charges	-	(311)
	<u>(409)</u>	<u>(314)</u>
Net interest payable	<u>(355)</u>	<u>(311)</u>



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

8 Tax on loss on ordinary activities

	2013 £'000	2012 £'000
(a) The tax for the year comprises		
Current tax charge	-	-
Total current tax (note 8 (b))	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below

(Loss) on ordinary activities before tax	<u>(2,328)</u>	<u>(18,315)</u>
(Loss) on ordinary activities at standard rate of corporation tax in the UK of 23.75% (2012: 25.5%)	(553)	(4,670)
Effects of		
Expenses not deductible for tax purposes - fixed assets	439	395
Expenses not allowable for tax purposes	11	32
Depreciation (less) than / in excess of capital allowances	(200)	322
Other short-term timing differences	(290)	(44)
Group relief surrendered / (claimed)	155	(1)
Timing differences due to reinvestment relief	283	746
Losses in the year carried forward	155	3,220
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

At the year end, the Group has an unrecognised deferred tax asset of approximately £40.9m (2012: £42.4m), as analysed overleaf. This asset has not been recognised as the Group is currently incurring operating losses and recoverability is dependent on there being future taxable trading profits against which to offset the asset.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Group's future current tax charge accordingly.



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

8 Tax on loss on ordinary activities (continued)

(c) Factors that may affect future tax charges (continued)

The potential deferred tax asset is analysed below

	2013	2012
	£'000	£'000
Depreciation in excess of capital allowances	1,247	1,504
Short term timing differences	62	358
Tax losses carried forward	40,006	41,569
Rollover relief	(425)	(1,058)
	<u>40,890</u>	<u>42,373</u>

9 Intangible fixed assets

	Goodwill	Player registrations	Total
	£'000	£'000	£'000
Cost			
01 July 2012	2,940	63,186	66,126
Additions	-	21,367	21,367
Disposals	-	(25,164)	(25,164)
30 June 2013	<u>2,940</u>	<u>59,389</u>	<u>62,329</u>
Amortisation			
01 July 2012	2,940	46,505	49,445
Disposals	-	(22,884)	(22,884)
Charge for year	-	12,635	12,635
30 June 2013	<u>2,940</u>	<u>36,256</u>	<u>39,196</u>
Net book amount			
30 June 2013	<u>-</u>	<u>23,133</u>	<u>23,133</u>
01 July 2012	<u>-</u>	<u>16,681</u>	<u>16,681</u>



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

10 Tangible fixed assets

	Freehold Land £'000	Playing Surfaces £'000	Plant, Equipment, Fixtures & Fittings £'000	Stadium & Building Improvements £'000	Assets in the Course of Construction £'000	Total £'000
Cost						
01 July 2012	9,209	1,215	10,087	23,961	2,561	47,033
Additions	162	211	448	79	2,507	3,407
Reclassified on completion	-	-	-	1,556	(1,556)	-
Disposals	-	(698)	(788)	-	-	(1,486)
30 June 2013	9,371	728	9,747	25,596	3,512	48,954
Depreciation						
01 July 2012	-	810	7,691	17,508	-	26,009
Disposals	-	(682)	(750)	-	-	(1,432)
Charge for year	-	240	1,018	1,679	-	2,937
30 June 2013	-	368	7,959	19,187	-	27,514
Net book amount						
30 June 2013	9,371	360	1,788	6,409	3,512	21,440
01 July 2012	9,209	405	2,396	6,453	2,561	21,024

The net book value of fixed assets above includes an amount of £Nil (2012 £35,060) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets was £Nil (2012 £37,094).

Assets under construction are comprised primarily of preliminary works for the redevelopment of the Riverside Stand at Craven Cottage and property developments at the Motspur Park training ground.



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

11 Fixed asset investments

Company

Investments in subsidiary undertakings

	Cost	Provision	Net
	£'000	£'000	£'000
At 1 July 2012 and 30 June 2013	<u>11,999</u>	<u>(11,999)</u>	<u>-</u>

At 30 June 2013, the Group owned the following principal subsidiaries all of which are incorporated in Great Britain, operate in the United Kingdom and are included within these consolidated group financial statements

Interest in Company	Principal Activity	Ordinary shares
Fulham Football Club Limited (formerly Fulham Football Club (1987) Limited)	Operation of a professional football club	100%
Fulham Stadium Limited	Football stadium development	100%
FL Property Management Limited*	Training ground development	100%

* Owned via Fulham Stadium Limited

In addition, the Group owned the following dormant subsidiary companies Both companies are incorporated in Great Britain The assets and liabilities of these companies at the balance sheet date were immaterial to the Group therefore have been excluded from these consolidated financial statements

Interest in Company	Principal Activity	Ordinary shares
Fulhamfc co uk Limited	Dormant – Dissolved 13 August 2013	100%
FFC Old Co Limited (formerly Fulham Football Club Limited)	Dormant	100%



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

12 Debtors

	Group	Group	Company	Company
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade debtors	3,593	1,267	-	-
Player transfer debtors	4,966	3,208	-	-
Other debtors	176	106	-	-
Amounts due from group undertakings	-	-	19,938	18,851
Other taxes and social security	-	-	1,241	798
Prepayments and accrued income	1,683	1,394	-	-
	<u>10,418</u>	<u>5,975</u>	<u>21,179</u>	<u>19,649</u>

13 Creditors

	Group	Group	Company	Company
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Due within one year				
Hire and lease purchase obligations	-	15	-	-
Trade creditors	3,648	4,029	-	-
Player transfer creditors	10,184	4,697	-	-
Amounts due to related parties	2	1	-	-
Other taxes and social security	5,494	6,902	-	-
Accruals	4,682	4,703	12	19
Term loans	15,408	-	-	-
	<u>39,418</u>	<u>20,347</u>	<u>12</u>	<u>19</u>

Term loans represent a short term working capital facility secured by way of a debenture over the assets of Fulham Football Club Limited and Fulham Stadium Limited. This loan has been repaid in full since the balance sheet date.

	Group	Group	Company	Company
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Due after more than one year:				
Player transfer creditors	3,776	3,424	-	-
Trade creditors	1,744	-	-	-
	<u>5,520</u>	<u>3,424</u>	<u>-</u>	<u>-</u>



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

14 Deferred income

	Group 2013 £'000	Group 2012 £'000
Season ticket sales in advance	5,344	5,511
Commercial income and sponsorship	<u>5,582</u>	<u>3,115</u>
	<u>10,926</u>	<u>8,626</u>

15 Share capital

	2013 £'000	2012 £'000
Alloted, called up and fully paid		
Ordinary shares of £1 each	<u>218,059</u>	<u>218,059</u>

16 Profit and loss account

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
1 July 2012	(202,292)	(183,977)	(198,429)	(189,842)
(Loss) / profit for the period	<u>(2,328)</u>	<u>(18,315)</u>	<u>1,537</u>	<u>(8,587)</u>
30 June 2013	<u>(204,620)</u>	<u>(202,292)</u>	<u>(196,892)</u>	<u>(198,429)</u>

17 Shareholders' funds

The reconciliation of movements in equity shareholders' funds is as follows

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
1 July 2012	15,767	(177,977)	19,630	(183,842)
(Loss) / profit for the period	(2,328)	(18,315)	1,537	(8,587)
Issue of new share capital	-	212,059	-	212,059
30 June 2013	<u>13,439</u>	<u>15,767</u>	<u>21,167</u>	<u>19,630</u>



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

18 Reconciliation of operating loss to operating cash flows

	2013 £'000	2012 £'000
Operating loss after depreciation and amortisation	(23,502)	(22,162)
Depreciation charges	2,937	2,723
Amortisation of players' registrations	12,635	17,690
Impairment of players' registrations	-	2,942
(Increase) / decrease in stocks	(125)	133
(Increase) in debtors	(2,685)	(740)
(Decrease) / increase in creditors	(65)	683
Unrealised exchange loss / (gain) on transfer creditors	272	(699)
Increase in deferred income	2,300	318
Net cash (outflow) / inflow from operating activities	<u>(8,233)</u>	<u>888</u>



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

19 Analysis of cash flows for headings netted in the cash flow statement

	2013 £'000	2012 £'000
Returns on investment and servicing of finance		
Interest received	54	3
Interest paid	-	(311)
Interest element of finance lease rental payments	(1)	(3)
Net cash inflow / (outflow) from returns on investment and servicing of finance	<u>53</u>	<u>(311)</u>
Net cash inflow / (outflow) from purchase and disposal of tangible and intangible fixed assets		
Purchase of players' registrations	(15,800)	(19,595)
Sale of players' registrations	22,101	8,204
Purchase of tangible fixed assets	(3,407)	(3,948)
Sales of other assets	4	-
Net cash inflow / (outflow) from capital expenditure	<u>2,898</u>	<u>(15,339)</u>
Financing		
Debt due within one year		
- finance lease repayments	(15)	(36)
- other creditors (secured)	-	(2,548)
- term loans (secured)	15,000	-
- advance from group companies	-	12,380
- advance from related parties	-	12
	<u>14,985</u>	<u>9,808</u>
Debt due after one year		
- finance lease repayments	-	(12)
Net cash inflow from financing	<u>14,985</u>	<u>9,796</u>



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

20 Analysis of changes in net (debt) / funds

	2012 £'000	Cash flows £'000	Non-cash changes £'000	2013 £'000
Cash at bank and in hand	4,317	9,703	-	14,020
Debt due within a year	-	(15,000)	(408)	(15,408)
Finance leases	(15)	15	-	-
	<u>4,302</u>	<u>(5,282)</u>	<u>(408)</u>	<u>(1,388)</u>

21 Financial commitments

a) Operating leases

At 30 June 2013, the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £'000	Other 2013 £'000	Land and buildings 2012 £'000	Other 2012 £'000
Operating leases which expire				
Within one year	75	-	81	2
In the second to fifth years inclusive	33	80	31	49
	<u>108</u>	<u>80</u>	<u>112</u>	<u>51</u>

b) Other commitments

The estimated commitment for additional transfer fees payable in respect of future possible appearances amounts to £1,207,759 (2012 £1,629,000) These amounts have not been included in the financial statements

c) Future receipts

In the course of normal business the Group enters into contracts that include clauses contingent upon future events The Directors have assessed such contracts and the Group can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £851,951 (2012 £1,702,907) These amounts have not been included in the financial statements



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

21 Financial commitments (continued)

d) Capital commitments

Amounts contracted for but not provided for in the accounts amounted to £140,635 (2012 £628,600)

22 Related party transactions

During the year there were arm's length agreements between the Group and various related companies to provide certain services. These companies were under the control of the Group's former ultimate controlling party. The value of these transactions during the period was

	2013	2013	2012	2012
	Purchases	Sales	Purchases	Sales
	£'000	£'000	£'000	£'000
Liberty Publishing and Media Ltd	33	-	24	-
Hyde Park Residence Ltd	42	-	32	-
Total	75	-	56	-

Balances with related parties as at 30 June 2013 are as follows

	2013	2013	2012	2012
	Due To	Due From	Due To	Due From
	£'000	£'000	£'000	£'000
Liberty Publishing and Media Ltd	2	-	-	-
Hyde Park Residence Ltd	-	-	1	-
Fulham Football Club Foundation	3	-	21	-
Total	5	-	22	-

During the year, the Group donated £85,000 (2012 £85,000) to the Fulham Football Club Foundation

No disclosure has been made of any transactions within these financial statements with fellow subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No 8



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2013

23 Pension scheme

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £302,576 (2012 £345,358)

24 Post balance sheet events

On 12 July 2013, the entire share capital of the Company was sold to Big Cat Holdings Limited, a company incorporated in Bermuda. Further information on this transaction is provided in note 25.

Since the year-end the Company has acquired and disposed of a number of player registrations. The net expenditure from these transactions is £2.3m.

25 Ultimate parent company and controlling party

The Company's immediate parent undertaking at the balance sheet date was AIT Leisure Enterprises Limited, a company incorporated in Bermuda. The ultimate parent company was Mafco Holdings Limited, a company incorporated in Bermuda. All interests in the Company were, at the balance sheet date, held for the benefit of the Fayed family.

Following the sale of the Company's share capital on 12 July 2013, as disclosed in note 24, the Company's immediate parent undertaking is Big Cat Holdings Limited, a company incorporated in Bermuda. The ultimate parent company is Cougar HoldCo London Limited, a company incorporated in Great Britain. All interests in the Company are held for the benefit of Mr Shahid Khan.

