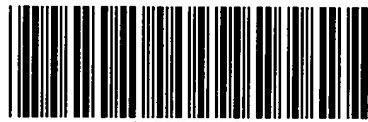


Fulham Football Leisure Limited

Annual Report 30 June 2015



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Fulham Football Leisure Limited Offices and Advisors

For the year ended 30 June 2015

Registered Office:

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

Auditor:

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers:

Metro Bank Plc
One Southampton Row
London
WC1B 5HA

Solicitor:

Squire Patton Boggs (UK) LLP
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH



Fulham Football Leisure Limited

Strategic Report

For the year ended 30 June 2015

Review of the business

The 2014/15 financial year was a period of transition for the Club which saw it competing outside the Premier League for the first time since 2001. The season saw significant changes to playing and management staff and despite a very challenging start to life in the Football League Championship the Club finished the season in 17th place and secured Championship football for the 2015/16 season. Off the pitch, the Group took steps to reduce payroll and other operating costs to compensate for a reduction in Premier League distributions and other key income streams. This, combined with reduced amortisation and impairment charges and increased profit on disposal of player registrations resulted in a reduced loss for the period of £27.0m, despite the significant reduction in revenue following relegation.

During the year, the Company issued £49.8m in new share capital to its immediate parent company. This, combined with further investment in the playing squad during the summer of 2015, demonstrates the continuing commitment of the owner and the Club to securing a return to the Premier League whilst developing the Riverside Stand and making numerous other infrastructure improvements to secure the long term success of the Club.

During the year to 30 June 2015, the Group saw the following changes in the key indicators of financial and non-financial performance.

<u>Indicator</u>	<u>Year to 30 June</u>			
	<u>2015</u>	<u>2014</u>	<u>+/- change</u>	<u>%</u>
Gross revenues (£m)	43.3	92.1	(48.8)	(53.0)
Turnover (£m)	42.0	91.3	(49.3)	(54.0)
Total staff costs (£m)	37.1	68.5	(31.4)	(45.8)
Staff costs as % of revenues	85.7%	74.4%	11.3%	15.2
Net operating (loss) / profit before dep'n, amort'n & impairment (£m)	(7.1)	2.0	(9.1)	-
Final position in Championship / Premier League (PL)	17 th	19 th	-	-
Total Championship / PL attendances	418,761	474,563	(55,802)	(11.8)
Average Championship / PL attendance per game	18,207	24,977	(6,770)	(27.1)

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.

Financial results

The loss for the financial period amounted to £27,033,000 (2014: £33,243,000) which has been transferred to reserves. Reduced operating costs and amortization and impairment of player registrations, along with an increase in profit on disposal of player registrations were the main factors behind this change in the financial results, partially offset by a reduction in turnover following relegation from the Premier League.



Fulham Football Leisure Limited Strategic Report (continued)

For the year ended 30 June 2015

Future developments

The Group's immediate and overriding priority is for Fulham Football Club to gain promotion back to the Premier League and it will continue to invest in the playing squad in order to achieve this aim as quickly as possible. Alongside this, 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.

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 sources of finance during the period, for operating losses, working capital and capital expenditure (including player transfers), in excess of funds generated internally, were short term un-secured loan facilities from Cougar Bidco London Limited and Cougar Holdco London Limited. These are companies 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.

Of the Group's total revenues in the year to 30 June 2015, 63% came from sources controlled by the Football Association Premier League (2014: 73%). Following the relegation of Fulham Football Club from the Premier League at the end of the 2013/14 season, the Group has experienced a significant reduction in income and will see further reductions in Premier League parachute payments over the next two seasons. In response to this reduction in income, the Directors have taken significant steps to reduce expenditure across the Group and have agreed an operating budget and financing structure with the Group's ultimate controlling party that combines significant operating efficiencies with the flexibility to field a squad capable of achieving the Group's ultimate aim of regaining its Premier League status as quickly as possible.

Post balance sheet events

Since the year-end the Group has acquired and disposed of a number of player registrations. The net committed expenditure from these transactions is £1.9m (2014: £11.7m)



By order of the Board

A J Mackintosh

Chief Executive

22 November 2015



Fulham Football Leisure Limited

Directors' Report

For the year ended 30 June 2015

The Directors present their report and the accounts for the year ended 30 June 2015.

Principal activities

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

Directors

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

S R Khan

M Lamping

A J Mackintosh

S E O'Loughlin

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 £15,000 (2014: £41,000) 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.



Fulham Football Leisure Limited Directors' Report (continued)

For the year ended 30 June 2015

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.

Dividends

The Directors do not recommend the payment of a dividend (2014: £nil).

Auditor

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

22 November 2015.



Fulham Football Leisure Limited

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

For the year ended 30 June 2015

The Directors are responsible for preparing the Strategic Report, 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 2015 set out on pages 9 to 28. 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 7, 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 2015 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 Strategic Report and 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
15 Canada Square
London
E14 5GL

~~24~~ November 2015.



Fulham Football Leisure Limited

Consolidated Profit and Loss Account

For the year ended 30 June 2015

		2015	2014
	Notes	£'000	£'000
Turnover	2	41,990	91,280
Other operating income		1,352	801
		43,342	92,081
Operating expenses before depreciation and amortisation	3	(50,478)	(90,130)
Operating (loss) / profit before depreciation and amortisation		(7,136)	1,951
Depreciation and amortisation	3	(12,726)	(18,311)
Impairment	4	(11,255)	(16,908)
Operating loss after depreciation, amortisation and impairment		(31,117)	(33,268)
Profit on disposal of players' registrations		4,245	301
Profit / (loss) on disposal of other assets		4	(14)
Loss before interest and taxation		(26,868)	(32,981)
Net interest payable	7	(165)	(262)
Loss on ordinary activities before taxation		(27,033)	(33,243)
Taxation on ordinary activities	8	-	-
Loss for the year		(27,033)	(33,243)

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 13 to 28 form part of these financial statements.



Fulham Football Leisure Limited

Consolidated Balance Sheet

Company number: 3374347

As at 30 June 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	9	10,981	12,177
Tangible assets	10	20,706	20,118
		<u>31,687</u>	<u>32,295</u>
Current assets			
Stocks		295	180
Debtors	12	2,283	4,634
Cash at bank and in hand		2,483	1,900
		<u>5,061</u>	<u>6,714</u>
Creditors: amounts falling due within one year	13	<u>(29,921)</u>	<u>(47,641)</u>
Net current liabilities		<u>(24,860)</u>	<u>(40,927)</u>
Total assets less current liabilities		6,827	(8,632)
Creditors: amounts falling due after more than one year	13	(488)	(6,089)
Deferred income	14	(3,399)	(5,083)
Net assets / (liabilities)		<u>2,940</u>	<u>(19,804)</u>
Capital and reserves			
Called up share capital	15	267,836	218,059
Profit and loss account	16	(264,896)	(237,863)
Shareholders' funds / (deficit)	17	<u>2,940</u>	<u>(19,804)</u>

The notes on pages 13 to 28 form part of these financial statements.

Approved and authorised for issue by the board on 22 November 2015.



A J Mackintosh
Director



Fulham Football Leisure Limited Company Balance Sheet

Company number: 3374347

As at 30 June 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Investments	11	19,474	18,697
Current assets			
Debtors	12	590	988
		<u>590</u>	<u>988</u>
Creditors: amounts falling due within one year	13	<u>(12,534)</u>	<u>(10)</u>
Net current assets		<u>(11,944)</u>	<u>978</u>
Total assets less current liabilities		7,530	19,675
Net assets		<u><u>7,530</u></u>	<u><u>19,675</u></u>
Capital and reserves			
Called up share capital	15	267,836	218,059
Profit and loss account	16	<u>(260,306)</u>	<u>(198,384)</u>
Shareholders' funds	17	<u><u>7,530</u></u>	<u><u>19,675</u></u>

The notes on pages 13 to 28 form part of these financial statements.

Approved and authorised for issue by the board on 22 November 2015.



A J Mackintosh
Director



Fulham Football Leisure Limited

Consolidated Cash Flow Statement

For the year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Net cash outflow from operating activities	18	(11,225)	(5,265)
Returns on investment and servicing of finance	19	19	131
Net cash outflow from purchase and disposal of tangible and intangible fixed assets	19	(24,288)	(17,214)
Net cash outflow before management of liquid resources and financing		(35,494)	(22,348)
Net cash inflow from financing	19	36,077	10,228
Increase / (decrease) in cash in the year		583	(12,120)

Reconciliation Of Net Cash Flow To Movement In Net Debt

Increase / (decrease) in cash in the year		583	(12,120)
Cash inflow from increase in debt & lease financing		(36,077)	(10,228)
Change in net debt resulting from cash flows	20	(35,494)	(22,348)
Non-cash changes	20	49,562	(402)
Movement in net debt in the year		14,068	(22,750)
Net debt at 1 July 2014	20	(24,138)	(1,388)
Net debt at 30 June 2015	20	(10,070)	(24,138)

The notes on pages 13 to 28 form part of these financial statements.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2015

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

Following the relegation of Fulham Football Club from the Premier League at the end of the 2013/14 season, the Group's revenues have decreased significantly and the Directors have taken action to significantly reduce operating costs.

The Company and consolidated financial statements have been prepared on the going concern basis, notwithstanding consolidated net current liabilities of £24,860,000 (2014: £40,927,000) and a consolidated loss after tax for the year ended 30 June 2015 of £27,033,000 (2014: £33,243,000).

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 throughout the 2015/16 & 2016/17 football seasons and for the foreseeable future, if required, irrespective as to which league Fulham Football Club is competing in during the 2016/17 season. 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.

(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 loss for the year amounted to £61,922,000 (2014: £1,492,000).

(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 2015

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 2015

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 2015

2 Turnover

	2015	2014
	£'000	£'000
Gate Receipts	7,035	12,301
Central Awards	29,198	57,584
Broadcasting	392	9,046
Compensation	151	200
Sponsorship and other Commercial Activities	5,214	12,149
	<u>41,990</u>	<u>91,280</u>

3 Operating expenses

	2015	2014
	£'000	£'000
Auditors' remuneration for audit services		
- Company	8	8
- Subsidiaries	29	25
Auditor's remuneration for audit related assurance services	24	21
Staff costs	37,068	68,520
Amounts paid under operating leases		
- Plant and machinery	66	86
- Land and buildings	192	341
Other external charges	13,091	21,129
	<u>50,478</u>	<u>90,130</u>
Depreciation		
- Owned fixed assets	1,994	2,918
- Assets under finance leases	4	2
Amortisation of player registrations	10,728	15,391
	<u>12,726</u>	<u>18,311</u>
	<u>63,204</u>	<u>108,441</u>

4 Impairment

	2015	2014
	£'000	£'000
Impairment loss	<u>11,255</u>	<u>16,908</u>

The impairment loss 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 2015

5 Staff costs

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

	2015 £'000	2014 £'000
Wages and salaries	32,128	60,450
Social security costs	4,612	7,705
Pension costs	328	365
	<u>37,068</u>	<u>68,520</u>

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

	2015 Number	2014 Number
Administrative and ground staff	143	179
Players	65	67
	<u>208</u>	<u>246</u>
Part-time staff for match days	<u>334</u>	<u>702</u>

The Company had no staff costs during the year (2014: £Nil).

6 Directors' emoluments

Aggregate Directors' emoluments during the year totalled £747,000 (2014: £651,000) excluding pension contributions of £56,000 (2014: £54,000). The highest paid Director's emoluments totalled £555,000 (2014: £555,000) excluding pension contributions of £43,000 (2014: £49,000).

7 Net interest payable

	2015 £'000	2014 £'000
Interest receivable:		
Bank interest	1	-
Other interest receivable	24	131
	<u>25</u>	<u>131</u>
Interest payable on borrowings repayable within five years:		
Term loan interest	(182)	(393)
Other charges	(8)	-
	<u>(190)</u>	<u>(393)</u>
Net interest payable	<u>(165)</u>	<u>(262)</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

8 Tax on loss on ordinary activities

	2015 £'000	2014 £'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>(27,033)</u>	<u>(33,243)</u>
(Loss) on ordinary activities at standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	(5,610)	(7,480)
Effects of:		
Expenses not deductible for tax purposes - fixed assets	307	483
Expenses not allowable for tax purposes	3	18
Depreciation in excess of / (less than) capital allowances	322	267
Other short-term timing differences	(82)	217
Timing differences due to reinvestment relief		447
Other permanent differences	1	10
Losses in the year carried forward	<u>5,059</u>	<u>6,038</u>
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 £47.3m (2014: £42.2m), 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 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

8 Tax on loss on ordinary activities (continued)

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

The unrecognised deferred tax asset is analysed below:

	2015 £'000	2015 £'000
Depreciation in excess of capital allowances	1,302	1,318
Short term timing differences	250	329
Tax losses carried forward	45,737	40,731
Rollover relief	-	(139)
	<u>47,289</u>	<u>42,239</u>

9 Intangible fixed assets

	Goodwill £'000	Player registrations £'000	Total £'000
Cost			
01 July 2014	2,940	59,956	62,896
Additions	-	22,807	22,807
Disposals	-	(16,199)	(16,199)
30 June 2015	<u>2,940</u>	<u>66,564</u>	<u>69,504</u>
Amortisation			
01 July 2014	2,940	47,779	50,719
Disposals	-	(14,179)	(14,179)
Impairment expense	-	11,255	11,255
Charge for the year	-	10,728	10,728
30 June 2015	<u>2,940</u>	<u>55,583</u>	<u>58,523</u>
Net book amount			
30 June 2015	<u>-</u>	<u>10,981</u>	<u>10,981</u>
01 July 2014	<u>-</u>	<u>12,177</u>	<u>12,177</u>

Further details of the impairment expense are provided in note 4.



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

For the year ended 30 June 2015

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 2014	9,371	743	10,487	26,054	3,826	50,481
Additions	-	86	435	75	1,992	2,588
Disposals	-	-	(23)	-	-	(23)
30 June 2015	9,371	829	10,899	26,129	5,818	53,046
Depreciation						
01 July 2014	-	612	8,836	20,915	-	30,363
Disposals	-	-	(21)	-	-	(21)
Charge for the year	-	55	801	1,142	-	1,998
30 June 2015	-	667	9,616	22,057	-	32,340
Net book amount						
30 June 2015	9,371	162	1,283	4,072	5,818	20,706
01 July 2014	9,371	131	1,651	5,139	3,826	20,118

The net book value of fixed assets above includes an amount of £20,000 (2014: £10,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets was £4,000 (2014: £2,000).

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



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

11 Fixed asset investments

Company

	2015	2014
	£'000	£'000
Cost	269,600	219,823
Provision	<u>(250,126)</u>	<u>(201,126)</u>
	<u>19,474</u>	<u>18,697</u>

At 30 June 2015, the Company 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. During the period, the Company subscribed for £49,777,000 of new shares in Fulham Football Club Limited. In consideration for these shares, the Company cancelled loans of the same value to this subsidiary.

Interest in Company	Principal Activity	Ordinary shares
Fulham Football Club 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.

The directors performed an assessment of the carrying value of the investments in subsidiaries and impaired the investment by £49,000,000. The remaining value is supported by the net asset value of the subsidiaries.

In addition, the Group owned the following dormant subsidiary company which was incorporated in Great Britain. The assets and liabilities of the company at the prior year balance sheet date were immaterial to the Group therefore were excluded from these consolidated financial statements. The company was dissolved during the year.

Interest in Company	Principal Activity	Ordinary shares
FFC Old Co Limited (formerly Fulham Football Club Limited)	Dormant – Dissolved 22 July 2014	100%



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

12 Debtors

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade debtors	460	1,069	-	-
Player transfer debtors	952	1,971	-	-
Other debtors	12	55	-	-
Amounts due from related parties	-	1	-	-
Other taxes and social security	39	-	590	988
Prepayments and accrued income	820	1,538	-	-
	<u>2,283</u>	<u>4,634</u>	<u>590</u>	<u>988</u>

13 Creditors

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Due within one year:				
Hire and lease purchase obligations	10	3	-	-
Trade creditors	2,916	3,531	-	-
Player transfer creditors	9,290	10,704	-	-
Amounts due to related parties	387	349	-	-
Amounts due to intermediate parent company	-	26,030	-	-
Amounts due to immediate parent company	12,524	-	12,524	-
Other taxes and social security	1,468	3,725	-	-
Accruals	3,326	3,299	10	10
	<u>29,921</u>	<u>47,641</u>	<u>12,534</u>	<u>10</u>

Amounts due to the Group's immediate parent undertaking (Cougar HoldCo London Limited) represent unsecured loans with no fixed repayment date. Interest is payable at 0.25% above LIBOR.

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Due after more than one year:				
Player transfer creditors	-	5,283	-	-
Trade creditors	469	801	-	-
Hire and lease purchase obligations	19	5	-	-
	<u>488</u>	<u>6,089</u>	<u>-</u>	<u>-</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

14 Deferred income

	Group 2015 £'000	Group 2014 £'000
Season ticket sales in advance	2,430	3,313
Commercial income and sponsorship	969	1,770
	<u>3,399</u>	<u>5,083</u>

15 Share capital

	2015 '000	2014 '000
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>267,836</u>	<u>218,059</u>

Issue of share capital

During the year, the Group undertook a restructuring exercise. As part of this exercise, on 31 December 2014, 49,776,574 new ordinary shares of £1 each were issued to Big Cat Holdings Limited, the Company's then immediate parent company. In consideration for these shares, loans of the same value from Cougar Bidco London Limited, an intermediate parent company, were cancelled. On 25 February 2015, the entire share capital of the Company was transferred to Cougar Holdco London Limited. There was no change in the Company's ultimate controlling party as a result of this transfer.

16 Profit and loss account

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
1 July 2014	(237,863)	(204,620)	(198,384)	(196,892)
Loss for the period	<u>(27,033)</u>	<u>(33,243)</u>	<u>(61,922)</u>	<u>(1,492)</u>
30 June 2015	<u>(264,896)</u>	<u>(237,863)</u>	<u>(260,306)</u>	<u>(198,384)</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

17 Shareholders' funds

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

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
1 July 2014	(19,804)	13,439	19,675	21,167
Loss for the period	(27,033)	(33,243)	(61,922)	(1,492)
Issue of new share capital	49,777	-	49,777	-
30 June 2015	<u>2,940</u>	<u>(19,804)</u>	<u>7,530</u>	<u>19,675</u>

18 Reconciliation of operating loss to operating cash flows

	2015 £'000	2014 £'000
Operating loss after depreciation and amortisation	(31,117)	(33,268)
Depreciation charges	1,998	2,920
Amortisation of players' registrations	10,728	15,391
Impairment of players' registrations	11,255	16,908
(Increase) / decrease in stocks	(115)	112
Decrease in debtors	1,332	2,789
Decrease in creditors	(3,139)	(3,865)
Unrealised exchange gain on transfer debtors and creditors	(483)	(409)
Decrease in deferred income	(1,684)	(5,843)
Net cash outflow from operating activities	<u>(11,225)</u>	<u>(5,265)</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

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

	2015 £'000	2014 £'000
Returns on investment and servicing of finance		
Interest received	25	131
Interest paid	(6)	-
Net cash inflow from returns on investment and servicing of finance	<u>19</u>	<u>131</u>
Net cash outflow from purchase and disposal of tangible and intangible fixed assets		
Purchase of players' registrations	(28,881)	(21,302)
Sale of players' registrations	7,142	5,691
Sale of tangible fixed assets	6	61
Purchase of tangible fixed assets	(2,555)	(1,664)
Net cash outflow from capital expenditure	<u>(24,288)</u>	<u>(17,214)</u>
Financing		
Debt due within one year:		
- finance lease repayments	(12)	(1)
- term loans (secured)	-	(15,621)
- advance from group companies	23,575	25,850
- advance from immediate parent company	12,514	-
	<u>36,077</u>	<u>10,228</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

20 Analysis of changes in net debt

	2014 £'000	Cash flows £'000	Non-cash changes £'000	2015 £'000
Cash at bank and in hand	1,900	583	-	2,483
Debt due within a year	(26,030)	(36,089)	49,595	(12,524)
Finance leases	(8)	12	(33)	(29)
	<u>(24,138)</u>	<u>(35,494)</u>	<u>49,562</u>	<u>(10,070)</u>

21 Financial commitments

a) Operating leases

At 30 June 2015, the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £'000	Other 2015 £'000	Land and buildings 2014 £'000	Other 2014 £'000
Operating leases which expire:				
Within one year	-	4	80	7
In the second to fifth years inclusive	20	51	20	34
	<u>20</u>	<u>55</u>	<u>100</u>	<u>41</u>

b) Other commitments

The estimated commitment for additional transfer fees payable in respect of future possible appearances amounts to £532,000 (2014: £634,000). 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 £216,000 (2014: £351,000). These amounts have not been included in the financial statements.

d) Capital commitments

Amounts contracted for but not provided for in the accounts amounted to £140,000 (2014: £71,000).



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2015

22 Related party transactions

During the year there were arm's length trading transactions between the Group and Flex-N-Gate Corporation and Jacksonville Jaguars, companies incorporated in the USA and under the common control of the Group's current ultimate controlling party. Liberty Publishing and Media Ltd and Hyde Park Residence Ltd are companies under the control of Group's former ultimate controlling party. These companies ceased to be related parties during the prior year. The value of these transactions during the period was:

	2015	2015	2014	2014
	Purchases	Sales	Purchases	Sales
	£'000	£'000	£'000	£'000
Flex-N-Gate Corporation	-	2	-	3
Jacksonville Jaguars	-	162	-	-
Liberty Publishing and Media Ltd	-	-	3	-
Hyde Park Residence Ltd	-	-	4	-
Total	<u>-</u>	<u>164</u>	<u>7</u>	<u>3</u>

Balances with related parties as at 30 June 2015 are as follows:

	2015	2015	2014	2014
	Due To	Due From	Due To	Due From
	£'000	£'000	£'000	£'000
Flex-N-Gate Corporation	-	-	-	1
Fulham Football Club Foundation	387	-	349	-
Total	<u>387</u>	<u>-</u>	<u>349</u>	<u>1</u>

During the year, the Group donated £15,000 (2014: £41,000) to the Fulham Football Club Foundation. The balance outstanding as at 30 June 2015 represents donations from players received by the Group on behalf of Fulham Football Club Foundation.

The Group received loans during the period totalling £12,524,000 from Cougar HoldCo London Limited, the immediate parent company. Further information on this balance is provided in note 13.

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 2015

23 Pension scheme

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £328,000 (2014: £365,000). An amount of £31,000 (2014: £37,000) remained outstanding at the balance sheet date.

24 Post balance sheet events

Since the year-end the Company has acquired and disposed of a number of player registrations. The net expenditure from these transactions is £1.9m (2014: £11.7m).

25 Ultimate parent company and controlling party

The Company's immediate parent undertaking up to the 25th February 2015 was Big Cat Holdings Limited, a company incorporated in Bermuda. On the 25th February 2015 the entire share capital of the company was transferred to Cougar Holdco London Limited. There was no change in the ultimate parent company or ultimate controlling party.

The immediate and 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 R Khan.

