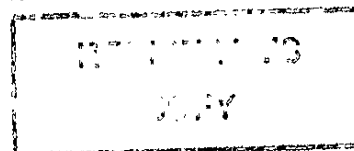


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FULHAM FOOTBALL CLUB (1987) LIMITED

REPORT OF THE AUDITORS



To the directors of Fulham Football Club (1987) Limited pursuant to paragraph 10 of Schedule 8 to the Companies Act 1985.

We have examined the attached modified accounts together with the full financial statements of Fulham Football Club (1987) Limited for the year ended 30 June 1989. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to deliver modified accounts and that the modified accounts have been properly prepared from the full financial statements.

In our opinion the directors are entitled under sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 30 June 1989 and the attached modified accounts have been properly prepared in accordance with Schedule 8 to that Act.

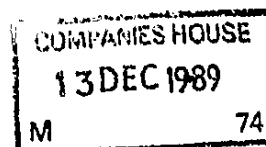
On this date we reported, as auditors of Fulham Football Club (1987) Limited, to the members on the full financial statements prepared under section 227 of the Companies Act 1985 for the year ended 30 June 1989 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

The financial statements have been drawn up on a going concern basis on the assumption that the company's holding company, loan creditors and other substantial creditors, will continue to give support to the company.

Subject to the above, in our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 June 1989 and of the loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Hillside House
2/6 Friern Park
London N12 9BY



7 November 1989

HEREWARD PHILIPS
Chartered Accountants

FULHAM FOOTBALL CLUB (1987) LIMITED

BALANCE SHEET 30 JUNE 1989

	1989	1988
	£	£
FIXED ASSETS		
Tangible assets	34,914	29,081
CURRENT ASSETS		
Stocks	11,861	1,500
Debtors	87,355	78,741
Cash at bank and in hand	14,397	133,682
	<u>113,613</u>	<u>213,923</u>
CREDITORS: falling due within one year	504,474	518,698
NET CURRENT LIABILITIES	<u>(390,861)</u>	<u>(304,775)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(355,947)</u>	<u>(275,694)</u>
CREDITORS: falling due after more than one year	104,019	100,000
	<u>(459,966)</u>	<u>(375,694)</u>
CAPITAL AND RESERVES:		
CALLED UP SHARE CAPITAL	2	2
PROFIT AND LOSS ACCOUNT	(459,968)	(375,696)
	<u>(459,966)</u>	<u>(375,694)</u>

The directors have relied on the exemptions for individual financial statements contained in Sections 247 to 249 of the Companies Act 1985 because under that Act the company is entitled to benefit from those exemptions as a small company.

J.W.T. HILL *J.W.T. Hill*)

) DIRECTORS

C.A.F. SWAIN *C.A.F. Swain*)

7 November 1989



FULHAM FOOTBALL CLUB (1987) LIMITED

ACCOUNTING POLICIES

YEAR ENDED 30 JUNE 1989

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

DEPRECIATION

Depreciation of tangible fixed assets is provided on a straight line basis at the following annual rates:

Motor vehicles	25%
Computer equipment	10%
Furniture and equipment	10% - 25%

TRANSFER FEES

All transfer fees are either charged or credited in full to the profit and loss account in the accounting year during which the transfer takes place. In certain cases where transfer fees are subject to variation the adjustments are made in the accounting year during which the event giving rise to the variation occurs.

VALUATION OF PLAYERS

No valuation is brought into these financial statements in respect of players under contract.

STOCK

Stock is calculated at the lower of cost and net realisable value.

FINANCE LEASES

Assets held under finance leases are capitalised in accordance with Statement of Accounting Practice no.21 at the present value of the minimum lease payments and a corresponding obligation to pay future rentals included as a creditor. Finance charges are taken to the profit and loss account using the sum of the digits method.

FULHAM FOOTBALL CLUB (1987) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1989

	1989 £	1988 £
CREDITORS		
Due after more than one year		
Unsecured directors loans	100,000	100,000
Hire purchase and finance lease liabilities	4,019	-
	<u>104,019</u>	<u>100,000</u>
SHARE CAPITAL		
Authorised - 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid - 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

ULTIMATE HOLDING COMPANY

The company's ultimate holding company
is SMH Football Limited, which is
incorporated in England.