

Fulham Football Club (1987) Limited

Annual Report 30 June 2012



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Fulham Football Club (1987) Limited

Offices and Advisors

For the year ended 30 June 2012

Registered Office

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

Auditor:

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Bankers:

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

Solicitors:

Squire Sanders
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH



Fulham Football Club (1987) Limited

Chairman's Statement

For the year ended 30 June 2012

The 2011/12 season was another very successful one for the Club, with both European and Domestic football activity and further development of our squad and a new Management team, under the leadership of Martin Jol. The Club competed in Europe for the third time, narrowly missing out on the second stage of knockout rounds after a total of 14 games starting in early June, a fantastic effort when viewed in conjunction with the Premier League fixtures.

The Europa League had great benefits for the Club both on and off the pitch. From a financial perspective, the Club made a profit on the Europa League of nearly £3m, whilst on the pitch the Manager used the competition to give some valuable first team experience to young players such as Kerim Frei, Mathew Briggs, Lauri Dalla Valle, Tom Donegan and Neil Etheridge. Our supporters were also able to enjoy some memorable European nights, which have become such welcome evenings in recent years.

Domestically, we finished 9th in the league which, given the ever increasing level of competition we face, is an excellent result. Pleasingly, the new Manager has settled in well and is bringing some stability in this area after recent changes forced upon us. To support his vision for the team we have strengthened the squad in the latest transfer window with several new players including Sascha Reither, Hugo Rodallega, Mladen Petric, Kieran Richardson, Ashkan Dejagah and Dimitar Berbatov. A combined total expenditure of over £8m underlines my commitment to ensure our recent success on the pitch is continued, and that we endeavour to progress in both our league position and in cup competitions.

Attendances continue to rise, with occupancy levels reaching 98.4%, up from 97.8% the previous season. In conjunction with this, the Club received planning permission to redevelop the existing Riverside stand. The project, which will involve substantial investment, will see Craven Cottage transformed on the banks of the Thames, with capacity increasing to 30,000. Our ever expanding fan base reassures us that this is the right way forward for the Club.

We have made great strides in our Digital Media portfolio and our use of social media is both innovative and pioneering. We have a new state of the art website built responsively to perform on any device it is being accessed from, and mobile applications for both iPhone and Android to bring up to the minute news wherever you are. The programme and Club magazine are both available digitally and we have plans to enhance these offerings further still.

The Academy continues to perform well. Six players made their first team debut during the season and the U18 team were crowned Premier League Academy Champions. The Football Association Professional Game Board has awarded us category one status, recognising the Academy as one of the finest establishments in the country.

Financially, we achieved revenue of £79.3m, a record for the Club and a clear measure of the continued success. During the season, the Club managed to repay all outstanding external debt and at the same time all of the group debt was converted to equity, leaving the Club's parent company, Fulham Football Leisure Limited, with a healthy balance sheet and reinforcing my commitment to the Club.

Mohamed Al Fayed



Fulham Football Club (1987) Limited

Directors' Report

For the year ended 30 June 2012

Financial statements

The Directors present their report and financial statements for the year ended 30 June 2012

Review of the business

During the year to 30 June 2012, the Company saw the following changes in the key indicators of financial and non-financial performance

<u>Indicator</u>	<u>Year to 30 June</u>			
	<u>2012</u>	<u>2011</u>	<u>+/- change</u>	<u>%</u>
Gross revenues (£m)	79.3	77.1	2.2	2.9
Turnover (£m)	78.7	76.4	2.3	3.0
Turnover excluding Europa League (£m)	75.3	75.9	(0.6)	(0.8)
Total staff costs (£m)	62.3	57.7	4.6	8.0
Staff costs as % of revenues	78.6%	74.8%	-	3.8
Net operating (loss) / profit before dep'n & amort'n & impairment (£m)	(1.0)	3.0	(4.0)	(133.3)
Final position in Premier League (PL)	9 th	8 th	(1)	-
Total PL attendances	480,567	477,523	3,044	0.6
Average PL attendance per game	25,293	25,133	160	0.6

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

The Chairman's statement contains an appropriate commentary on the performance of the Company for the year

Principal activity

The Company's principal activity is the operation of a professional football club

Results and dividends

The Company made a loss after tax of £18,754,547 (2011 profit £4,406,420) which has been transferred to reserves. Increased amortisation of intangible assets and reduced profits from player trading were the main factors behind this change in the financial results. The Directors do not recommend the payment of a dividend (2011 £nil)

Future developments

The Company 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. Our sister-company, Fulham Stadium Limited, has a rolling programme of increasing and improving facilities at the Craven Cottage stadium, including the proposed redevelopment of the Riverside stand, which enables the Company to plan for steady increases in attendance and an increase in total seating areas and lounge facilities, which support match-day packages.

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



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2012

Financial instruments and risks

Most of the Company'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 Company'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 Company use hedging instruments.

The Company's main sources of finance, for operating losses, working capital and capital expenditure (including player transfers), in excess of funds generated internally, are interest-free loans from its immediate parent company together with loans from third party lenders. The Company has received assurances from the Directors of the parent company 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 Company to become technically insolvent. The parent company has also provided comfort that if further funds are needed to meet creditors as they fall due, these will be made available.

The Company's main commercial risk is that associated with potential failure to retain membership of the Football Association Premier League. Of the Company's total revenues in the year to 30 June 2012, 64% came from sources controlled by the Premier League (2011: 66%). In the event of relegation from the Premier League, the Company's revenues would fall and the Company 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 Premier League. Therefore the Company's main aim is to prevent this risk becoming a reality.

The environment

The Company 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 Company'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 Company is sympathetic to, and pays particular attention to, the cash flow needs of its smaller suppliers.

The Company currently takes an average of 29 days to pay its creditors (2011: 29 days).

Charitable donations

During the year, the Company donated £85,000 (2011: £85,000) to the Fulham Football Club Foundation.



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2012

Policy on disabled persons

It is the Company's policy to provide opportunities for disabled persons to have meaningful employment 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 Company's policy to keep all staff informed as to the development of the business and to encourage them to contribute their ideas, criticisms and comments through a management process which recognises and rewards genuine involvement in the success of the Company

Directors' responsibilities

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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2012

Post balance sheet events

Since the year-end the Company has acquired and disposed of a number of player registrations. The net proceeds from these transactions is £14.0m.

Directors

The Directors who served during the year were as follows

M Al Fayed (Chairman)

K Fayed

O A Fayed

M A E Collins

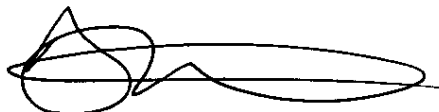
M D Cole

D Turner

A J Mackintosh

S O'Loughlin

By order of the Board



D Preston

Secretary

10 December 2012



Independent Auditor's Report

To the Members of Fulham Football Club (1987) Limited

We have audited the financial statements of Fulham Football Club (1987) Limited for the year ended 30 June 2012 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report

To the Members of Fulham Football Club (1987) Limited (Continued)

Opinion on other matters 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

PKF(UK) LLP

Stuart Barnsdall, Senior statutory auditor

For and on behalf of PKF (UK) LLP, Statutory auditor

London, UK

14 December 2012



Fulham Football Club (1987) Limited

Profit and Loss Account

For the year ended 30 June 2012

		2012	2011
	Notes	£	£
Turnover	3	78,652,058	76,405,139
Other operating income		663,767	703,939
		<u>79,315,825</u>	<u>77,109,078</u>
Operating expenses before depreciation, amortisation and impairment	4	(80,277,591)	(74,064,865)
Operating (loss)/profit before depreciation, amortisation and impairment		<u>(961,766)</u>	<u>3,044,213</u>
Depreciation and amortisation	4	(18,670,630)	(11,708,183)
Exceptional Impairment	5	(2,942,309)	-
		<u>(21,612,939)</u>	<u>(11,708,183)</u>
Operating loss after depreciation, amortisation and impairment		<u>(22,574,705)</u>	<u>(8,663,970)</u>
Profit on disposal of players' registrations		4,130,806	13,664,862
Profit on disposal of other assets		-	1,754
(Loss)/profit before interest and taxation		<u>(18,443,899)</u>	<u>5,002,646</u>
Net interest payable	7	(310,648)	(596,226)
(Loss)/profit on ordinary activities before taxation		<u>(18,754,547)</u>	<u>4,406,420</u>
Taxation of (loss)/profit on ordinary activities	8	-	-
(Loss)/profit for the year		<u>(18,754,547)</u>	<u>4,406,420</u>

Statement of total recognised gains and losses

There are no recognised gains or losses other than the amounts included in the profit and loss account

Continuing operations

All of the above results derive from continuing activities

The notes on pages 12 to 24 form a part of these financial statements



Fulham Football Club (1987) Limited**Balance Sheet**

As at 30 June 2012

Company number 2114486

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	9	16,680,008	18,929,582
Tangible assets	10	<u>2,055,665</u>	<u>1,839,234</u>
		18,735,673	20,768,816
Current assets			
Stocks		165,802	299,623
Debtors	11	5,976,209	6,348,274
Cash at bank and in hand		<u>4,185,884</u>	<u>9,106,739</u>
		10,327,895	15,754,636
Creditors: amounts falling due within one year	12	<u>(20,716,786)</u>	<u>(25,091,916)</u>
Net current liabilities		<u>(10,388,891)</u>	<u>(9,337,280)</u>
Total assets less current liabilities		8,346,782	11,431,536
Creditors: amounts falling due after more than one year	13	(195,073,370)	(179,721,135)
Deferred income	14	<u>(8,625,511)</u>	<u>(8,307,953)</u>
Net liabilities		<u>(195,352,099)</u>	<u>(176,597,552)</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	<u>(195,352,101)</u>	<u>(176,597,554)</u>
Shareholders' funds	17	<u>(195,352,099)</u>	<u>(176,597,552)</u>

The notes on pages 12 to 24 form part of these financial statements

The financial statements on pages 10 to 24 were approved and authorised for issue by the Board and were signed on its behalf on 10 December 2012



M A E Collins
Director



A J Mackintosh
Director



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements
For the year ended 30 June 2012

1 Basis of preparation of financial statements and going concern

The Company has a deficit of shareholders' funds at 30 June 2012 and has operated at a loss in recent years. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Directors are aware of their duty to present a balanced assessment of the Company's financial position and prospects and in concluding that it is appropriate to adopt the going concern basis they have had regard to the trading performance and cash flows since the year end. They continue to take action to improve the cash flow position of the Company.

They have also had regard to the written indications received from Fulham Football Leisure Limited, AIT Leisure Enterprises Limited, both of which are parent companies, Mr M Al Fayed and the trust Company that controls the Fayed family trust and their corporate interests, 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 2012/13 season or not. Although there is no legal obligation for Fulham Football Leisure Limited, AIT Leisure Enterprises Limited, Mr M Al Fayed and the trust company 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 2012/13 season, then the Company's revenues would fall. The Company would therefore have to take action to significantly reduce operating costs, which the Directors are confident could be achieved, such that additional parent company funding would not be required.

2 Accounting policies

a) Accounting convention

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

b) Turnover

Turnover represents match receipts and all other income associated with the principal activity of running a professional football club and excludes value added tax.

c) Grants

Grants receivable in respect of ground safety and maintenance are credited to the profit and loss account in the same period as the expenditure is incurred. Grants receivable in respect of fixed assets are credited to deferred income and released to the profit and loss account over the asset's useful economic life.

d) Deferred Income

Income from season tickets, sponsorship 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 Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

2 Accounting policies (continued)

e) 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.

f) Transfer fees

Fees payable to other football clubs on the transfer of players' registrations, including agents' fees and league levies, are recorded as intangible fixed assets. Any other 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 player's 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 in the profit and loss account until the relevant criteria have been met.

h) Tangible fixed assets and depreciation

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

Furniture, plant and equipment	- 10% - 25% per annum
Motor vehicles	- 25% per annum
Computer equipment	- 25% per annum
Leasehold improvements	- Over period of lease

i) Leases and hire purchase contracts

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 the 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.



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2012

2 Accounting policies (continued)

j) Stocks

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

k) Pensions

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

l) 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.

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 Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2012

3 Turnover

	2012	2011
	£	£
Gate Receipts	11,353,990	11,240,340
Europa League	3,352,148	497,493
Central Awards	45,195,470	44,821,941
Broadcasting	5,867,055	5,747,368
Compensation	994,391	2,791,189
Sponsorship and Commercial activities	11,889,004	11,306,808
	<u>78,652,058</u>	<u>76,405,139</u>

4 Operating expenses

	2012	2011
	£	£
Auditors' remuneration for audit services	34,014	33,077
Auditors' remuneration for audit related assurance services	10,116	9,500
Staff costs	62,256,869	57,671,590
Amounts paid under operating leases		
- Plant and machinery	43,707	12,000
- Land and buildings	2,218,065	2,221,024
Other external charges	15,714,820	14,117,674
	<u>80,277,591</u>	<u>74,064,865</u>
Depreciation		
- Owned fixed assets	943,102	747,009
- Assets under finance leases	37,094	78,056
- Amortisation of player registrations	17,690,434	10,883,118
	<u>18,670,630</u>	<u>11,708,183</u>
	<u>98,948,221</u>	<u>85,773,048</u>

5 Exceptional item

	2012	2011
	£	£
Impairment loss	<u>2,942,309</u>	<u>-</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 Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

6 Staff numbers and costs

Staff costs during the year (including director's emoluments) amounted to

	2012 £	2011 £
Wages and salaries	54,690,602	50,329,305
Social security costs	7,220,909	6,174,331
Pension costs	345,358	1,167,954
	<u>62,256,869</u>	<u>57,671,590</u>

The average monthly number of employees during the year was 940 (2011 840), made up as follows

	2012 Number	2011 Number
Administrative and ground staff	170	170
Players	64	58
	<u>234</u>	<u>228</u>
Part-time staff for match days	<u>706</u>	<u>612</u>

Aggregate Directors' emoluments during the year totalled £876,357 (2011 £819,461) including pension contributions of £44,262 (2011 £47,021). The highest paid Director's emoluments totalled £665,390 (2011 £615,000) including pension contributions of £38,262 (2011 £42,522).

7 Interest

	2012 £	2011 £
Interest receivable on deposits:		
Bank interest	<u>2,427</u>	<u>2,778</u>
Interest payable on borrowings repayable within five years		
Bank interest payable	(967)	(12,000)
Term loan interest	-	(107,062)
Other charges	(309,120)	(460,905)
Hire and lease purchase obligations	<u>(2,988)</u>	<u>(19,037)</u>
	<u>(313,075)</u>	<u>(599,004)</u>
Net interest payable	<u>(310,648)</u>	<u>(596,226)</u>



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2012

8 Taxation

(a) The tax for the year comprises

	2012 £	2011 £
<i>(a) The tax for the year comprises</i>		
Current tax	-	-
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

Profit / (loss) on ordinary activities before tax	<u>(18,754,547)</u>	<u>4,406,420</u>
Profit / (loss) on ordinary activities at standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)	(4,782,409)	1,211,766
Effects of		
Depreciation in excess or / (less than) capital allowances	283,876	(70,616)
Expenses not deductible for tax purposes - non qualifying depreciation	4,200	4,548
Expenses not allowable for tax purposes	31,716	23,684
Other short-term timing differences	(47,516)	(7,806)
Losses group relieved	543,402	550,285
Amortisation reduction due to reinvestment relief	746,039	-
Rolled over gain on player registrations	-	(1,711,861)
Unrelieved losses	<u>3,220,692</u>	<u>-</u>
Current tax debit / (credit) for the year (note 8 (a))	<u>-</u>	<u>-</u>



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

8 Taxation (continued)

(c) Factors that may affect future tax charges

At the year end, the group has an unrecognised deferred tax asset of approximately £41.7m (2011 £42.5m), as analysed below. This asset has not been recognised as the company is currently incurring operating losses and recoverability is dependent on there being future taxable trading profits against which to offset the asset.

The potential deferred tax asset is analysed below

	2012 £	2011 £
Depreciation in excess of capital allowances	1,194,126	715,243
Short term timing differences	357,863	436,126
Tax losses carried forward	<u>41,213,943</u>	<u>41,393,045</u>
Rollover relief	<u>(1,057,921)</u>	<u>-</u>
	<u>41,708,011</u>	<u>42,544,414</u>

9 Intangible fixed assets

	Player registrations £
Cost	
1 July 2011	65,136,663
Additions	21,353,379
Disposals	<u>(23,304,414)</u>
30 June 2012	<u>63,185,628</u>
Amortisation	
1 July 2011	46,207,081
Disposals	<u>(20,334,204)</u>
Impairment loss (note 5)	2,942,309
Charge for year	<u>17,690,434</u>
30 June 2012	<u>46,505,620</u>
Net book amount	
30 June 2012	<u>16,680,008</u>
1 July 2011	<u>18,929,582</u>



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2012

10 Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Equipment £	Total £
Cost				
1 July 2011	893,808	38,798	7,033,196	7,965,802
Additions	-	-	1,196,627	1,196,627
30 June 2012	<u>893,808</u>	<u>38,798</u>	<u>8,229,823</u>	<u>9,162,429</u>
Depreciation				
1 July 2011	851,518	38,798	5,236,252	6,126,568
Charge for year	16,469	-	963,727	980,196
30 June 2012	<u>867,987</u>	<u>38,798</u>	<u>6,199,979</u>	<u>7,106,764</u>
Net book amount				
30 June 2012	<u>25,821</u>	<u>-</u>	<u>2,029,844</u>	<u>2,055,665</u>
1 July 2011	<u>42,290</u>	<u>-</u>	<u>1,796,944</u>	<u>1,839,234</u>

The net book amount of fixed assets includes an amount of £35,060 (2011 £95,972) in respect of equipment assets held under hire and lease purchase contracts. A depreciation amount of £37,094 (2011 £78,056) has been charged on these assets in the year.



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2012

11 Debtors

	2012	2011
	£	£
Trade debtors	1,267,487	1,706,383
Player transfer debtors	3,208,354	4,309,416
Other debtors	105,942	59,723
Amounts due from related parties	-	12,247
Prepayments and accrued income	1,394,426	260,505
	<u>5,976,209</u>	<u>6,348,274</u>

12 Creditors' amounts falling due within one year

	2012	2011
	£	£
Hire and lease purchase obligations	15,323	51,786
Trade creditors	3,475,670	4,186,452
Player transfer creditors	4,696,558	6,638,291
Taxes and other social security	7,895,175	6,972,785
Other creditors	-	2,547,303
Accruals	4,634,060	4,695,299
	<u>20,716,786</u>	<u>25,091,916</u>

The hire purchase and lease obligations are secured upon certain equipment assets

13 Creditors' amounts falling due after more than one year

	2012	2011
	£	£
Player transfer creditors	3,423,784	418,200
Hire and lease purchase obligations	-	12,357
Amounts due to parent undertaking	191,649,586	179,290,578
	<u>195,073,370</u>	<u>179,721,135</u>

Amounts due to the parent undertaking (Fulham Football Leisure Limited) are unsecured, interest free and there is no fixed repayment timetable



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

14 Deferred income

	2012	2011
	£	£
Season ticket sales in advance	5,510,474	5,303,917
Commercial income and sponsorship	3,115,037	3,004,036
	<u>8,625,511</u>	<u>8,307,953</u>

15 Share Capital

	2012	2011
	Number	Number
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

16 Profit and loss account

	2012	2011
	£	£
1 July 2011	(176,597,554)	(181,003,974)
(Loss) / profit for the year	<u>(18,754,547)</u>	<u>4,406,420</u>
30 June 2012	<u>(195,352,101)</u>	<u>(176,597,554)</u>

17 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Opening shareholders' funds	(176,597,552)	(181,003,972)
(Loss) / profit for the financial year	<u>(18,754,547)</u>	<u>4,406,420</u>
Closing shareholders' funds	<u>(195,352,099)</u>	<u>(176,597,552)</u>



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

18 Financial commitments

a) Annual commitments under non-cancellable operating leases

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	80,850	2,398	-	-
In the second to fifth years inclusive	2,030,810	49,187	2,014,000	8,865
Over five years	184,762	-	184,762	-
	<u>2,296,422</u>	<u>51,585</u>	<u>2,198,762</u>	<u>8,865</u>

b) Other commitments

The estimated commitment for additional transfer fees payable in respect of future possible appearances and other criteria yet to be satisfied amounts to £1,629,000 (2011 £725,000). These amounts have not been included in the financial statements.

c) Future receipts

In the course of normal business the Company enters into contracts that include clauses contingent upon future events. The Directors have assessed such contracts and determined that the Company can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £1,702,907 (2011 £97,000). 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 £200,070 (2011 £369,880).

19 Pension scheme

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £345,358 (2011 £239,405).



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

20 Related party information

During the year there were arm's length agreements between the Company and various related companies to provide certain services. These companies are under the control of the Company's ultimate controlling party. The value of these transactions during the year to 30 June 2012 is as follows:

	2012 Purchases £'000	2012 Sales £'000	2011 Purchases £'000	2011 Sales £'000
Liberty Publishing and Media Ltd	24	-	24	-
Hyde Park Residence Ltd	32	-	-	-
Total	56	-	24	-

Balances with related parties as at 30 June 2012 are as follows:

Falling due within 1 year:

	2012 Due To £'000	2012 Due From £'000	2011 Due To £'000	2011 Due From £'000
Hyde Park Residence Ltd	1	-	-	-
Fulham Football Club Foundation	21	-	-	-
Total	22	-	-	-

During the year, the Company also donated £85,000 (2011: £85,000) to the Fulham Football Club Foundation.

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



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2012

21 Post-Balance Sheet Events

Since the year-end the Company has acquired and disposed of a number of player registrations. The net proceeds from these transactions is £14.0m.

22 Parent Undertaking

The Company's immediate parent undertaking is Fulham Football Leisure Limited, which is incorporated in England and Wales. It is also the parent company of the largest and smallest group for which group accounts have been prepared. Copies of the consolidated accounts may be obtained from Companies House, Cardiff, CF4 3UZ.

The ultimate parent company is Mafco Holdings Limited, a company incorporated in Bermuda. All interests in the Company continue to be held for the benefit of the Fayed family.

